



ANNUAL REPORT
CARNEGIE
CORPORATION
OF NEW YORK

1956



Digitized by the Internet Archive
in 2018 with funding from
Columbia University Libraries

https://archive.org/details/annualreport00carn_1

ANNUAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30

1956

CARNEGIE CORPORATION
OF NEW YORK

589 FIFTH AVENUE, NEW YORK



C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

Board of Trustees
1956-1957



MORRIS HADLEY, Chairman
Milbank, Tweed, Hope & Hadley

W. RANDOLPH BURGESS
Under Secretary of the Treasury for Monetary Affairs

JOHN W. GARDNER
President, Carnegie Corporation of New York

CARYL P. HASKINS
President, Carnegie Institution of Washington

DEVEREUX C. JOSEPHS
*Chairman of the Board,
New York Life Insurance Company*

NICHOLAS KELLEY
Kelley, Drye, Newhall & Maginnes

R. C. LEFFINGWELL
J. P. Morgan & Co., Incorporated

MARGARET CARNEGIE MILLER

FREDERICK OSBORN
Executive Vice President, The Population Council, Inc.

ARTHUR W. PAGE
Business Consultant

GWILYM A. PRICE
President, Westinghouse Electric Corporation

ELIHU ROOT, JR.
Cleary, Gottlieb, Friendly & Hamilton

FREDERICK SHEFFIELD
Webster Sheffield & Chrystie

CHARLES M. SPOFFORD
Davis, Polk, Wardwell, Sunderland & Kiendl

CHARLES ALLEN THOMAS
President, Monsanto Chemical Company

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

DEVEREUX C. JOSEPHS, *Chairman*

Executive Committee

JOHN W. GARDNER

MORRIS HADLEY

NICHOLAS KELLEY

R. C. LEFFINGWELL

FREDERICK OSBORN

ELIHU ROOT, JR.

ARTHUR W. PAGE, *Chairman*

Finance Committee

JOHN W. GARDNER

MORRIS HADLEY

DEVEREUX C. JOSEPHS

NICHOLAS KELLEY

R. C. LEFFINGWELL

ELIHU ROOT, JR.

Counsel

ELIHU ROOT, JR., *General Counsel*

JOHN E. F. WOOD, *Counsel*

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

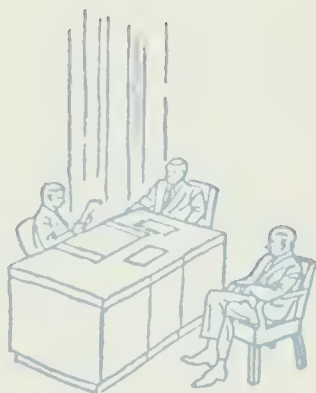
JOHN W. GARDNER, *President*

JAMES A. PERKINS, *Vice President*

FLORENCE ANDERSON, *Secretary*

Administration

1956-1957



C. HERBERT LEE, *Treasurer*

STEPHEN H. STACKPOLE, *Executive Associate,
British Dominions & Colonies Program*

WILLIAM W. MARVEL, *Executive Associate*

ROBERT J. WERT, *Executive Associate*

FREDERICK H. JACKSON, *Executive Assistant*

ALAN PIFER, *Executive Assistant,
British Dominions & Colonies Program*

JAMES W. CAMPBELL, *Assistant Treasurer*

MARGARET E. MAHONEY, *Assistant Secretary*

HELEN ROWAN, *Editor*

CONSTANCE BALLARD

KATHERINE N. FORD

DOROTHY FUCHS

ALICE S. HOCTOR

ISABELLE C. NEILSON

} *Administrative Assistants*

The Great Talent Hunt 11

The Year in Review 29

Contents

Studies in Higher Education 30

The Improvement of Teaching 38

Administration of Higher Education 41

Public and International Affairs 43

Foundations and Public Policy 48

Creativity 51

Program in the British Commonwealth 53

From the Corporation's Journal 56

The Detailed Record

The Secretary's Report 61

—Appropriations and Payments 63

—Grants for Travel and Study 74

The Treasurer's Report 77

—Financial Statements 84

The Carnegie Philanthropies 98

The Great Talent Hunt



THE GREAT TALENT HUNT

WE ARE witnessing a revolution in society's attitude toward men and women of high ability and advanced training. For the first time in history, such men and women are very much in demand on a very wide scale. Throughout the ages, human societies have always been extravagantly wasteful of talent. Today, as a result of far-reaching social and technological developments in our society, we are forced to search for talent and to use it effectively. Among the historic changes which have marked our era, this may in the long run prove to be one of the most profound.

Certain consequences of the revolution are immediately apparent. These have been years of unprecedented opportunity for the able and highly educated man. Never in the history of America have so many people spent so much money in the search for talent. The identification of gifted youngsters and the effective nurture of their abilities are problems of renewed interest to educators. Shortages in professional and scientific fields have become a national preoccupation.

The demand for educated talent is rooted in the nature of our life and time. It runs far deeper than the much-advertised shortages of the moment. We are now experiencing a distinctly transitory problem due to the low birth rates of the 1930's. This will pass. And some of the current shortages are due to the intensive program of military research and development. This may or may not pass. But we are concerned here with a deeper, stronger trend that has been in the making for centuries and is just coming to full fruition. Some observers fear that the heavy demand for educated talent is wholly a consequence of prosperity. There is excellent evidence—which we shall touch upon later—that this is not true.

The demand grows out of the nature of our society, out of the rate of technological innovation, and out of the consequent social complexities which beset us. We are just beginning to understand that one of the distinguishing marks of a modern, complex society is its

Annual Report for 1956

insatiable appetite for educated talent. It is not just technologists and scientists that we need, though they rank high in priority. We desperately need our gifted teachers, our professional men, our scholars, our critics, and our seers. There is no present likelihood that this trend will reverse itself.

The immensely increased demand for educated talent has placed a wholly new emphasis upon the role of colleges and universities in our national life. Virtually the total future leadership of our society—political, cultural, industrial, technical, professional, educational, and agricultural—is today being channeled through the colleges and universities and, increasingly, through our graduate and professional schools. It follows that these institutions will play a far more weighty and powerful role on the American scene than anyone had anticipated. As the cradle of our national leadership, their vitality and excellence become a matter of critical importance.

Search for the Uncommon Man

The high market value of educated talent is attested to in the energetic recruiting efforts that have developed. No one who has watched the emergence of these recruiting practices over the past two decades can fail to be impressed with them. Great law firms, which 20 years ago waited regally for law school graduates to knock at their doors, now carry on shrewd and effective recruiting programs. Government agencies comb the colleges for promising recruits. Great corporations send recruiting officers to every major campus.

This represents a striking change in attitude. Even a few decades ago, every industry and calling had a rich store of anecdotes about the bright, impractical college graduate who came on the job bursting with confidence and muffed every assignment given him. Today, as the National Manpower Council has pointed out, "Business strongly prefers the college graduate." Indeed, the pendulum has swung so far that there is an almost absurd faith in the utility of a college degree. There is a spurious element in the exaggerated emphasis on college training as a prerequisite to advancement. But there is nothing spurious about

The Great Talent Hunt

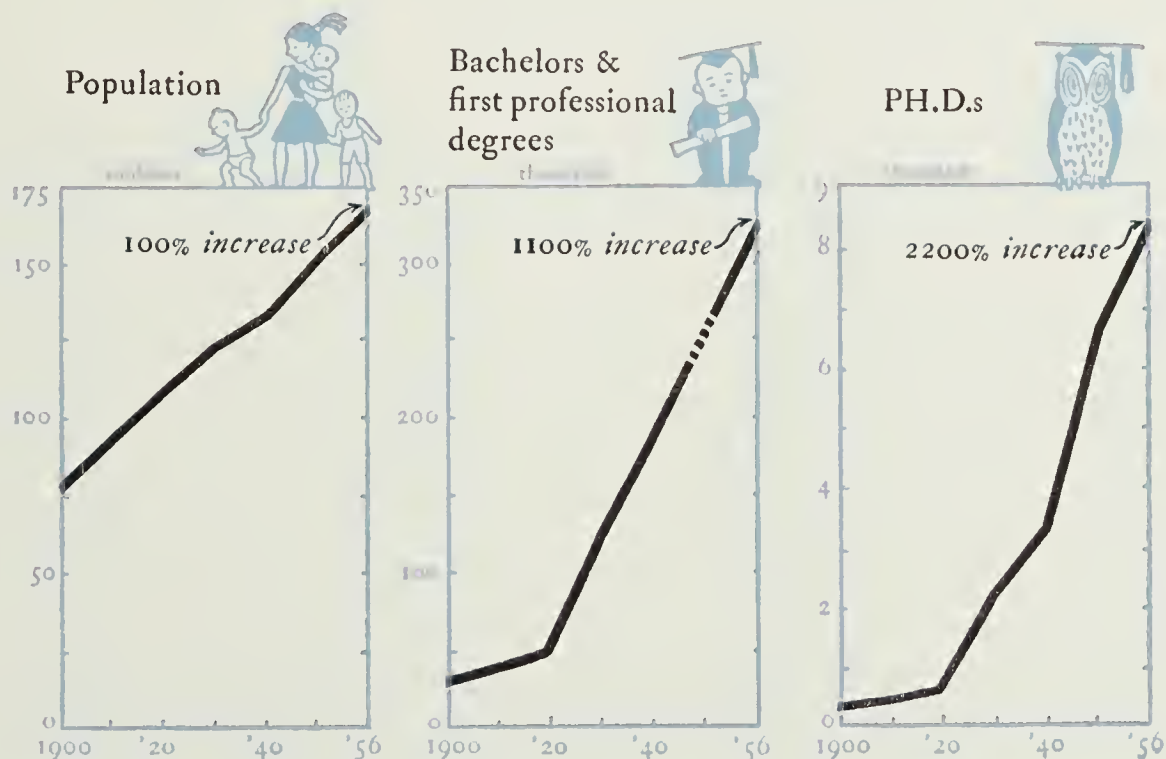
the fact that the world of work needs—and is vigorously seeking—educated talent.

The colleges and universities have not been slow in joining the talent hunt. Old and distinguished universities, which 20 years ago thought their only responsibility was to make things as difficult as possible for applicants, now scour the nation in their search for superior students. And an impressive array of scholarship programs, totaling some \$55,000,000 this year, aids them in discovering and nurturing gifted individuals. In one sense, of course, the entire educational system may be thought of as a great talent hunt.

The Rise of Educated Talent

As little as 50 years ago it was assumed that the only fields which *required* advanced training were medicine, law, the ministry, and the scholarly fields. Only a tiny proportion of leaders in other fields could boast college degrees. Today the “man with a degree” is taking over every central and significant activity in our society.

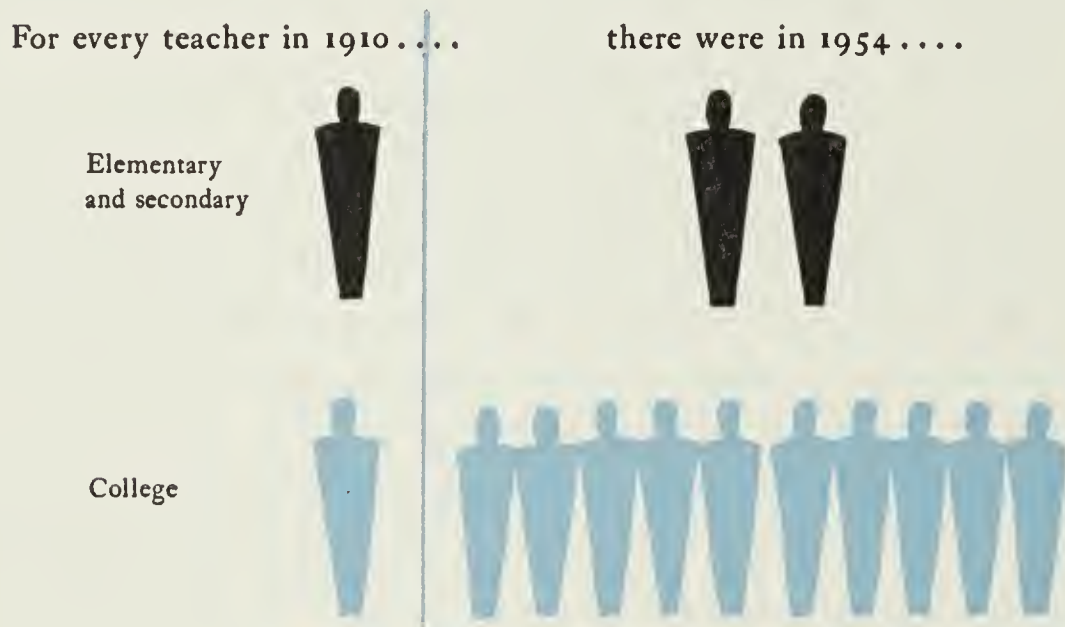
The rise of educated talent can be readily demonstrated numerically. Since the turn of the century, while the population was roughly



Annual Report for 1956

doubling, the number of bachelor and first professional degrees has multiplied some 11 times, and the number of doctoral degrees some 22 times.

Between 1870 and 1950, the number of professional workers has grown three and one half times faster than the nation's population, and three times faster than the labor force generally.



The striking growth in emphasis upon advanced training is reflected in the increase in the number of college teachers. Since 1910 the number of teachers at other levels has approximately doubled, while the nation's corps of college teachers has multiplied ten times.

The most dramatic increases in educated talent have come in the fields of science and technology. In 1870 scientists and engineers represented roughly 3 per cent of all professional persons, and by 1950 they constituted over 20 per cent. In 1870 only one in 1100 workers was a scientist, engineer or other technician. In 1950, one worker in 60 fitted this description.

One of the significant features of the new trend has been the greatly increased demand for men of high ability and advanced training

The Great Talent Hunt

in managerial or administrative posts. Lloyd Warner, in a recent study, has shown that today the business and industrial world is recruiting its top leadership from the ranks of highly educated men. "Education," he asserts, "has become the royal road to positions of power and prestige in American business and industry." Confirming evidence is available in the astonishing rise of professional schools of business.

Public administration at all levels—federal, state, and local—has shown the same leaning toward the highly trained man, not only for performance of the conventional "expert" roles, such as economics and statistics, but for managerial roles. Professional training in public administration is a vigorous new development in our universities.

The Rise of the Colleges and Universities

Inseparable from the rise of educated talent has been the extraordinary rise to prominence of our educational institutions. Suppose that one were to look out over the vast breadth of America on any midmorning of a weekday and ask himself, "What are Americans doing? How are they actually spending their time?" Most of all they are doing three things: They are governing themselves, they are engaging in business and industry, and they are being educated or are educating others. These three great central activities rank so far ahead of any others that we need not go beyond them—at least for the purposes of this discussion.

The category which interests us is the last of the three, education. How many Americans, on any weekday morning, are engaged in educating or being educated? Out of 167,000,000, approximately 37,000,000—or in the roughest terms, one out of five—are involved in education. Teachers, who have a genuine humility about their role in our national life, are always astonished to learn how large education looms on the American scene in terms of sheer numbers.

The growth of higher education has been even more dramatic than that of education at lower levels. While the population was increasing less than four times between 1870 and 1950, the college population was

Annual Report for 1956

increasing *more than 50 times*. And it will continue to rise. There is reason to believe that the college population will at least double and possibly treble in the next 20 years.

Higher education is now available in more than 1800 institutions of learning scattered over the face of the nation. Some notion of the scope of the enterprise may be gained from the fact that in 1952 the physical plant and plant funds of these institutions were valued at \$9.7 billion. And anyone who thinks that he has kept abreast of the tremendous growth of American higher education might try naming the 38 universities which have enrollments of over 10,000 students. Very few well-informed Americans could name even half of these giant institutions.

Few people realize the extent to which the colleges and universities have rooted themselves in our national life. The professors move out into every phase of community activity. The engineering professors are at home in neighboring industrial plants and perform services for the great national corporations. The university's agricultural specialists advise farmers throughout the state. The public administration professors engage in consulting activities at federal, state, and local levels of government.

The work of our universities in the health fields is familiar to everyone. When the announcement of a new medical discovery appears in the papers, it is very likely to be associated with one of our great university laboratories. And if the discovery itself was not made there, it is likely that the fundamental principles upon which it was based were identified in a university.

The scientific work of our universities relating to national defense is of staggering magnitude. The universities working on defense contracts for the federal government have developed gargantuan research laboratories and expend hundreds of millions of dollars yearly.

A contrasting but equally significant development is the fact that over the past two decades a substantial percentage of our finest musicians, artists, and creative writers have accepted posts in colleges or universities.

Outside our borders, experts from American universities are con-

The Great Talent Hunt

ducting projects in virtually every country of the free world. Anyone who travels in the far places of the world today is accustomed to the fact that no matter how remote the village or countryside, he may encounter an engineer from Purdue, or a public health expert from Johns Hopkins, or an anthropologist from Cornell, or an agricultural expert from the University of Maryland. They are advising foreign governments, working devotedly for our own government, carrying on fundamental research, applying new discoveries, and in endless ways affecting the shape of the future.

In other words, our colleges and universities have achieved a remarkable prestige and are being given tasks of unprecedented range and importance. Few institutions in our national life rival them in prestige and influence.

This is not to say that the colleges and universities are above criticism. They have been subjected to waves of public criticism in the past, and they will be again in the future. But these are ripples on the surface. Below moves a great tide of approval and support which has manifested itself in the most tangible and vivid ways.

The Role of the Professions

Another important aspect of the rise of educated talent is the emergence of the professions as a major feature of our society. Roughly two thirds of American college graduates now take their degrees in some form of professional education. The old-line professions such as law and medicine have vastly strengthened their position in the past half century. They have raised standards of professional training, and have learned effective ways of advancing their own professional interests. Fields such as teaching and engineering which were not universally recognized as professional fields 50 years ago are now well-established in that category. Meanwhile, newer fields such as social work and accountancy are energetically raising their standards, strengthening their associations, and demanding full professional status.

Taken as a whole, the movement toward professionalization is a striking social development. If present trends continue, it is not impos-

Annual Report for 1956

sible that a very high proportion of all educated talent will be professionalized within a short span of years.

Since virtually every activity involving leadership in our society is being taken over by educated talent, and since this educated talent is being rapidly professionalized, it behooves us to understand the implications of professionalization. The emergence of the professions into a commanding role in society will have consequences which political scientists and other students of social organization will wish to examine carefully. The change may have far-reaching consequences for the structure and functioning of our society. It would be a mistake, however, to jump to conclusions as to the nature of these consequences. Predictions of a "managerial revolution" or of an emerging "technocracy," interesting though they may be, will be of less help to us than a careful examination of the nature of professional functioning.

In the rise of the professions, we again must note the key role of the academic world. The universities play an overwhelmingly important role in the life of the professional. One of the earliest moves of an occupational field seeking professional status is to work for the insertion of special courses into the college curriculum. If this succeeds, a long step has been taken toward the achievement of professional status. If leaders in the field can then persuade one or more major universities to organize a department or professional school covering their occupation, they have virtually arrived. In other words, as Robert Merton has pointed out, the universities play a central role in establishing the legitimacy of a new profession. And in the process of doing so, they establish standards of training, set standards of professional practice, inculcate the set of values which will govern future professionals, and in innumerable ways shape the future of the field.

The Attitude of Society Toward Educated Talent

The demand for individuals of high ability is now so familiar to us as to seem wholly unremarkable. Yet it constitutes a profound change in human affairs. Throughout the millennia of history, it has been the normal experience of mankind that only a very few of the gifted indi-

The Great Talent Hunt

viduals in a population have had the chance to develop their gifts. Generally speaking, individuals whose gifts have been discovered and cultivated have been as chance outcroppings of precious rock, while the great reserves of human talent lay all undiscovered below.

The present role of educated talent in our society would not have been possible without the major changes in social organization which followed the Industrial Revolution. Almost all societies before the Industrial Revolution were "societies of status." In such societies what was expected of a man, the privileges and honors accorded him, and the role which he played were all determined by his *status* rather than by his *abilities*. What counted was not *what he could accomplish* but *who he was*.

Successive waves of social change engulfed the traditional societies of status—the Industrial Revolution, the rise of political democracy, the breakdown of parochialism under the impact of transportation and communication advances, and the emergence of modern societies with their characteristic urbanization, specialization, and complex organization. The fluidity and dynamism of the new societies and their dependence upon a free market in skills spelled the end of the rigidities of status.

Present-day societies vary, as everyone knows, in the extent to which they have accomplished the transition. There still exist abundant examples of the older form of organization. The American people, spurred by religious, political, and social views which laid enormous emphasis upon individual opportunity and accountability, moved farther and faster than most other societies in rejecting a social organization based upon status. In the United States, to an unprecedented degree, the individual's social role came to be determined not by *who he was* but by *what he could accomplish*.

It should be obvious, however, that a society which has done away with the arbitrary distinctions inherent in status systems has not thereby solved the problem of dealing with human differences. It has simply established new terms of reference for the problem. It must go on to decide, for example, what will be its attitude toward *excellence*,

Annual Report for 1956

and this is a matter on which we as a people have never quite made up our minds. In some matters we seem unstintingly committed to recognize excellence, to cherish high standards of quality, and, in the words of William James, "to disesteem what is cheap, trashy and impermanent." But on other fronts we exhibit more than a little inclination to enshrine the mediocre, to fear and scorn the superior performance, and to tie down every Gulliver who appears. A tension between these conflicting views is to some degree inherent in our thinking and way of life; but the evolving needs of our society have swung the balance decisively toward the preferment of excellence.

Some informed people, particularly in the academic world, have feared a popular hostility to people of high ability and advanced training. This hostility—associated with the term "egghead"—does exist in some measure, though most of the attempts to describe or explain it have been oversimplified and distorted. But it is not a major factor in the future of educated talent in the United States. The forces which have made for acceptance and assimilation of educated talent have been so overpowering that they have swept all opposition before them. The evidence that our society has accepted, encouraged, nurtured, and even coddled the man of gifts and training is overwhelming.

A Look at the Future

What are some of the discernible consequences of the new position of educated talent?

One consequence is already obvious: We shall give far more attention to the effective development of human capacities than we have in the past. Stung by the appearance of grave shortages in various fields, we have already given renewed effort to the early identification of gifted youngsters. Sooner or later we shall inevitably be led to more adequate special provisions for the education of such youngsters. Concern for the full use of human capacities will produce intensive efforts to salvage the able youngsters who are now lost to higher education.

The barriers of financial need and inadequate motivation which prevent able youngsters from continuing their education will be the

The Great Talent Hunt

subject of concerted attack in the years ahead. Active guidance at elementary and high school levels will bring to the attention of the gifted student and his parents the potentialities which he has for further education. Increased scholarship assistance will be provided for needy young people. In these and innumerable other ways we shall try to discover and make full use of all the sources of talent in the population.

Another consequence of the new position of educated talent is that competition will become far more intense in the educational system. This is already apparent to some degree. The objective value which the world attaches to a college degree cannot escape the notice of youth. They know, for example, that the armed services recognize a college degree as creating a strong presumption that the possessor is officer material. Similarly, growing evidence of the value which the world attaches to high grades cannot escape attention. The representatives of great corporations who appear on the campus each year to interview the "top quarter" or "top half" of the class have left an indelible impression on many a sophomore and junior.

This intensified competition will extend even farther down the line in the years to come and will pervade all of our schools. The never-ending talent hunt, the incessant testing programs, and the emphasis upon achievement will create a heightened awareness of individual differences at much earlier age levels. One can hardly regard these as wholly attractive consequences. Indeed, they are in some respects highly unattractive. One must hope that ways will be found to soften the edge of competition and minimize harsh comparisons of individuals. And one must hope, too, that we shall have the wisdom to avoid a tyranny of the aptitude tester.

Another consequence of the rise of trained talent will be a greatly increased emphasis on the importance of graduate training. The higher levels of expertness will come to be closely associated with advanced degrees.

Although our total higher educational plant is vast in size, facilities for graduate training are very limited. In 1950, there were 148 Amer-

Annual Report for 1956

ican institutions of higher education providing programs leading to the Ph.D., and a surprisingly small fraction of this number carries the major burden of providing our professional, scholarly, scientific and technical leaders. John N. Cooper has pointed out that of the 3000 physicists with doctoral degrees listed in the 1949 edition of *American Men of Science*, 85 per cent received their degrees from one or another of 33 leading institutions. In other words the tremendously important national job of training our highest echelons of professional, scientific, and scholarly talent falls in the final analysis to a very small group of first-line institutions. No further emphasis need be given to the desirability of maintaining the standards and the vigor of these institutions.

Still another consequence of the new position of educated talent will be a steadily advancing emphasis upon specialization; and this poses a familiar dilemma. The tremendous rewards for specialization encourage narrow training. For certain purposes of science, business, and government, this is useful, but a world of ever-ramifying specialties soon cries out for generalists. Someone must be able to see and to cope with the larger relationships.

With this problem in mind, the most forward-looking of our colleges and universities are making active efforts to ensure that every specialist will proceed from a base of general education so that he will have some flexibility and breadth as a background for specializing. This is important because, speaking precisely, what the future is going to demand is specialists who are capable of functioning as generalists.

There are other reasons for avoiding narrow specialization. The generally high demand for educated talent cannot be taken as a prediction of high demand for every special field. The youngster who trains himself narrowly, expecting that there will always be a demand for his specialty, may be in for a nasty jolt. The rapid rate of social change and technological innovation makes it impossible to promise stability within narrow professional fields. The way in which a given group of specialists is required to function may change over night; the demand for these specialists may change with equal rapidity; a new professional field may take over the functions of an older one; skills ardu-

The Great Talent Hunt

ously acquired may grow out of date in a decade. The only safety for the years ahead lies in a professional training sufficiently broad and flexible so that the individual can survive ups and downs of specific demand and adapt himself to changing situations. Flexibility and generality of training have become part of the job insurance of the expert.

Given such breadth and flexibility, the highly trained man can look to the future with considerable confidence. There are those who fear that the present prominence of education is wholly a product of the economic boom. They fear, for example, that our heavy college enrollments would not survive a setback in the economy. This is most unlikely. During the great depression of the 1930's, college and graduate school enrollments did not drop. They rose markedly. And yearly expenditures for scientific research and development more than doubled during the thirties.

This is not to say that the educated man enjoys a generalized invulnerability to economic setbacks. Men of high ability and advanced training will probably suffer less from hard times than any other sector of society. It would be foolish to say that they will not suffer at all. As a matter of fact—although we all know of many exceptions—the data at hand indicate that on the average the college man outstrips the non-college man in every measure of worldly success. Taking good times and bad, he is more apt to be employed, gets better jobs, earns more money, and gets more promotions.

The Central Role of the Colleges and Universities

American higher education has profited immensely by the affection of the American people, but it also has experienced considerable stress as a result of that affection. The more the American people have loved the colleges and universities, the more they have demanded of them. And they have not hesitated to heap Herculean tasks upon higher education.

On the whole, over the exciting decades of growth, our colleges and universities have found the strength and leadership to accomplish

Annual Report for 1956

the vital social tasks pressed upon them. It is fortunate that they have, because they are now facing a challenge greater than any they have known. Indeed the tasks ahead are so staggering that sensible people will inevitably ask whether the nation can afford the enormous expense implicit in the growth of its educational system. Our educational institutions are already groaning under financial burdens which they feel incapable of bearing. And now they are faced with the requirement that they double or treble in size. Can the nation afford it? The simplest answer is to ask oneself what per cent of the gross national product has been expended upon our educational system, and whether this has increased rapidly in recent years.

The astonishing truth is that it has not increased at all and that it is very modest. Indeed, the one anomalous and disconcerting feature of this entire picture of vast growth and vitality in education is that the American citizenry has not faced up to paying the bill. While our educational institutions are suffering from under-financing and paying their teachers distressingly low salaries, our total expenditures for higher education stand at eight-tenths of one per cent of our gross national product. Although the past five years have been years of nationwide attention to the financing of our colleges and universities, this percentage is today at the lowest point it has been since 1951. We are spending about one and one-half times as much on tobacco products each year as we spend on higher education; and about two and three-quarters as much on alcoholic beverages.

But the problem of financing, grave though it may seem at the moment, is not the only problem facing the colleges and universities as they gird themselves for the years ahead. In the excitement of pyramiding new tasks on the colleges and universities, the American people will do well to remember some old tasks.

Most of all, they will do well to remember that the first concern of higher education is the intellectual development of the individual student—not because there is a shortage to be met, not because there is a job to be filled, but simply because we value the realization of individual potentialities.

The Great Talent Hunt

They will do well to remember, too, that *excellence* is a time-honored preoccupation of the colleges and universities. If the colleges and universities are now wholly committed to the task of educating our national leadership, then they have no choice but to do it with distinction. We shall be tempted, under the pressure of the huge enrollments ahead, to let up on standards. Posterity will not forgive us for that. Nor will the judgments which the world makes of America's capacity to exercise leadership be tempered because we were too *busy* to produce truly great scientists and truly wise statesmen.

Another consideration which should be much in the minds of all who are seriously concerned with the future of higher education is the importance of turning out liberally educated men and women. As we have emphasized, individuals of high ability and advanced training are going to perform all of the highly specialized and highly technical roles in the society, all of the scholarly, scientific, and professional roles; in short, they are going to manage the society. Whether as top business executives, government administrators, professional men, teachers, technological experts, or scientists, they are going to have the guiding role in shaping our future. This means that our colleges and universities must produce not only specialists, but men with wisdom and breadth and a sense of values commensurate with their destined roles of leadership. Intelligence untempered by wisdom, competence unguided by a sense of values—these could be our downfall as surely as ignorance and incompetence. In short, we must turn out men whose technical skills are matched by their breadth of comprehension, by their grasp of their own heritage, by largeness and liberality of mind.

In the years ahead the able youngster is going to receive very special attention. He is going to have lavish facilities placed at his disposal for the development of whatever gifts he may have. Such treatment entails deep obligations. If we do not give our able youngsters a profound sense of this obligation, if we do not give them an abiding sense of responsibility to the society which has dealt with them so generously, we shall have done an injustice both to them and to the nation.

Annual Report for 1956

It cannot be said too often that more college degrees may not necessarily bring any increment in virtue or wisdom. Whether we shall have a steady flow into our leadership ranks of wise, liberally educated men and women with the creativity and the sense of values which the future demands, or whether we shall have a paralyzing flow of skilled opportunists, timeservers, and educated fools, depends wholly upon the sense of values which guides our efforts.

A handwritten signature in blue ink, reading "John W. Gardner". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

P R E S I D E N T



Asia to the South

This Brahman girl preparing almonds in her home in Poona, Bombay State, was photographed by a visiting graduate student from the University of Pennsylvania's department of South Asia regional studies. Over a number of years Carnegie grants to the University have supported research and training, including both area and language studies, on the increasingly important area of Asia to the South.

photo by Maureen L. P. Patterson





← At Home and Abroad

Distinguished Americans meet under the auspices of the American Assembly to discuss problems of United States representation abroad. At the left, Adolf A. Berle, Jr., General Charles H. Bonesteel, and Philip C. Cortney participate in a panel discussion. The conference was made possible by a Carnegie grant; American Assemblies on a number of other subjects have also received Corporation support.

Art for the Scientist ↑

Special exhibitions at the art gallery of the Massachusetts Institute of Technology form part of M.I.T.'s program in the humanities and social studies. As do many of the finest technical schools, M.I.T. tries to give its students a sound liberal as well as specialized education. The Corporation has supported such programs at California, Carnegie, and Case Institutes of Technology as well as at M.I.T.



↑“The Way it Happened Was . . .”

Senator Herbert H. Lehman recalls, for Columbia University professor Allan Nevins and a tape recorder, some of the events of his long public career. Scores of leaders in a variety of fields have made lengthy records for the Oral History Project at Columbia, directed by Mr. Nevins, on how they saw history made. Carnegie Corporation has contributed to the support of the project.

Easy Reading →

Pictured to the right are adults learning to read with greater ease and speed. They are participants in a reading improvement program sponsored by the Brooklyn Public Library, in cooperation with Brooklyn College, with funds from Carnegie Corporation. Brooklyn hopes to prove that helping people to read better is a practical extension of library service to the community.

photos by Marjorie Collins







← The Japanese Way

In 1947, only two years after the guns had stopped firing in the Pacific, the University of Michigan, with a Carnegie grant, established a broad program of training and research on Japan. Most of the activities are carried on at the University itself, but the Center for Japanese Studies also had a field station in southwestern Japan where, as these pictures show, the imparting of information was often two-way.

Perplexed Presidents[↑]

The men shown above are pondering some of the unique and varied problems peculiar to the job of running a college or university. The Institute for College and University Administrators, inaugurated with Carnegie Corporation funds, conducts seminars for college presidents. Discussions with colleagues who face the same problems often prove encouraging as well as enlightening to the harried administrators.

“ . . . To Save Succeeding Generations ”

Philadelphia youngsters participate in a model United Nations General Assembly, held annually as one of the many activities for junior and senior high school students sponsored by the World Affairs Council of Philadelphia. Probably half a million pupils are reached each year through the work of the Council's student activities branch, which has received Carnegie support over the past five years.

photo by Jules Schick



The Year in Review



THE YEAR IN REVIEW

THE first half of the current year was devoted to a thorough review and revision of the Corporation's program. The results of the review may be very simply stated. The trustees agreed that the Corporation should concentrate its resources in the two fields to which it has given primary attention in recent years, eliminating or drastically reducing the various other interests which had developed over the years. The first of these two fields is higher education; the second is public and international affairs.

Of the two major elements in the program, higher education occupies the foremost position and is the field in which the bulk of the Corporation's income will be spent. International relations, the second element in the program, will receive somewhat more modest attention at first, but its proportion in the total program may grow.

The Corporation's program for the British Commonwealth must always enjoy a somewhat greater freedom from rigorous definition than does the main program. With a modest income to be spread over large areas of the world, this program must be shaped to accord with the opportunities and realities under which it functions. At any given time it will reflect fairly clearly the major emphases of the main program, but it can never be bound by them.

In the following pages the reader will find an informal review of the major grants made during the current year. The sections into which the exposition is divided do not represent formal continuing program categories. They are simply used for purposes of presentation with respect to this year's program. The formal listing of all grants and payments made during the fiscal year appears in The Detailed Record, beginning on page 63.



Studies in Higher Education

IT IS now generally recognized that our colleges and universities are entering the most spectacular period of growth in their history. Estimates as to the probable rate of growth vary. There is a good deal of evidence to indicate that the college population may treble in the next twenty years. If one stops to think what this means in terms of plant expansion, teacher recruitment, and the like, the disturbing consequences become apparent. Such explosive growth must bring with it enormous changes in the shape of American higher education. A great many new institutions may spring up. Institutions which are now virtually unknown may grow to giant size. Well-known institutions may change their character. Radical new approaches to higher education may force their way into accepted use. Our conception of the function of higher education may change in fundamental ways.

In the face of the dramatic growth which will occur over the next two decades, America's educational leaders cannot hope to stem the tide of change. They *can* hope to guide and channel that change.

In characteristically American fashion, the control of higher education is very widely dispersed. There is virtually no federal control of higher education, and there is remarkably little centralized control in any of the states. In the case of private institutions, the most common pattern is complete institutional autonomy, with each college or university governed by its own board. Often the state universities within a given state are not only independent of one another but are engaged in the most vigorous rivalry.

This dispersion of control means that in the critical years ahead the decisions that will shape the future of American higher education will be made in literally thousands of different places by literally thousands of people—legislators, trustees, administrative officers, faculty, parents, alumni, students, and the general public. That is as it should be. The existence of “multiple foci of initiative,” to use James Conant's

The Year in Review

phrase, accounts for much of the vitality of our educational system and for most of its remarkable capacity to adapt itself to the tremendous changes which the years have brought.

But obviously those who will shape the future of American higher education cannot make wise decisions unless they have at their disposal valid information concerning the nature of the problems they face. If decisions as to the future of higher education are to be made intelligently, they will have to be made in the light of relevant facts; these facts must be gathered and made available. One central objective of the Corporation's new program in higher education will be to assist those universities and scholarly agencies which seek to supply such information.

Diversification of Higher Education

One of the major steps taken in support of this objective was a grant of \$400,000 to the University of California at Berkeley for research in higher education. The University used the funds to establish an institute of higher education under the leadership of Thomas R. McConnell, professor of higher education. Mr. McConnell, formerly dean of the college of arts and science at the University of Minnesota and later president of the University of Buffalo, is one of America's leading authorities on higher education. The grant will provide support for the institute over a five-year period.

During the first two years of its operation, the institute will devote its primary attention to a study of the diversification of American higher education, for which a preliminary grant of \$77,000 was made by the Corporation in 1955.

The American people have pressed upon their colleges and universities a tremendous variety of objectives, and institutions of higher education in this country accept youngsters with an enormous range of aptitudes and interests. This system could not possibly function unless there were an institutional diversity to correspond with the diversity of clientele and objectives.

An intelligent understanding of this diversity in American higher

Annual Report for 1956

education—how it functions and how it may be strengthened—is an important objective. One aspect of the problem which will receive active attention from the new institute at the University of California is the junior college. The junior college is an extremely significant element in the diversity of our system, and its role in the future may be increasingly prominent. It is entirely possible that we shall see a vast multiplication of the junior colleges in this country. Whether this will be a good or bad consequence for American higher education depends, among other things, upon our comprehension of the proper role of these institutions in our total system.

It is in higher educational planning at the state level that the question of institutional diversity is most likely to arise. The state faced with the need of large-scale expansion of its system may simply choose to crowd additional tens of thousands of students into the central state university campus. Or it may choose to dot the state with identical institutions. Or it may choose to plan for an intelligent diversity of institutions throughout the state. But what is an intelligent diversity? The institute at Berkeley will undertake an exhaustive study of the state organization of higher education as a preliminary to answering this vexing question.

The institute will also examine the ways in which students of differing aptitudes and motivations sort themselves out among institutions and among schools within a given institution, and it will investigate all the various solutions which have been found to the problem of providing varied types of programs for students with varied interests.

Liberal Arts and the Special Undergraduate Schools

Another major step in the Corporation's program in higher education during the current year was a grant of \$375,000 to Teachers College, Columbia University, for research in higher education. As in the case of the University of California grant, these funds are for support of a research program over a five-year period and will be used to establish an institute for the study of higher education. Executive officer of the new institute will be Earl J. McGrath, former United

The Year in Review

States Commissioner of Education and ex-president of the University of Kansas City.

The first major project to be undertaken by this institute will be a large-scale study of the status and role of the liberal arts in higher education in the United States, especially their relation to undergraduate professional and vocational education.

Until recently, the liberal arts dominated undergraduate education in the United States. Today, the relative emphasis upon the liberal arts in undergraduate education has diminished greatly, and at most of our great universities the liberal arts college is ringed around with powerful competitors for the undergraduate student.

In many cases these competing schools send their students across the campus to the liberal arts college for an exposure to general education before they enter into their specialties. In other cases the special undergraduate school, particularly if it is physically separated from a liberal arts college, develops its own liberal arts offerings. In still other cases—and these, unfortunately, may be the most common—the special school makes no serious attempt to expose its students to a liberal education.

Mr. McGrath and his associates will undertake to examine the various ways in which colleges and universities have sought to solve the problem of combining general education and special education. They will explore the undergraduate competition between the liberal arts college and the special schools, the migration of departments from one to the other, and the servicing of the special schools by the liberal arts college.

Education for Business

The rapid growth of the special undergraduate schools is nowhere more readily demonstrable than in the business schools. During the current year, the Corporation made a grant of \$100,000 to Swarthmore College to enable Frank Pierson, professor of economics, to undertake an objective evaluation of the kind of education being offered generally by schools of business.

Annual Report for 1956

The rise of "business education" in its various institutional forms constitutes one of the most astonishing success stories in the recent history of American higher education. What that success implies for the nature and quality of our higher education is an unanswered question. Before 1920 the award of college degrees for specialization in business and commerce was virtually unheard of. Today about 15 per cent of bachelor and first professional degrees are in this field.

At its best, business education is very good. Some of our leading graduate schools of business have demonstrated to everyone's satisfaction that this need not be a slovenly field of education. But at its worst, business education is very poor indeed.

In his study of business education, Mr. Pierson will address himself to a broad range of interesting questions. What educational needs of students, business organizations, and the community at large should business schools endeavor to meet? What is the most suitable administrative relationship to establish between business schools and other branches of university education? What is the proper balance to achieve between vocational and liberal arts training in business school programs? What are the appropriate standards to apply with respect both to admissions and graduation?

Technical Institutes

Another specialized aspect of higher education which needs careful examination is the training of engineering technicians. Such an examination will be made by the American Society for Engineering Education, under a \$38,000 grant from the Corporation.

Technological development is the product of a manpower "team" comprising scientists, engineers, and engineering technicians. In higher education, tremendous emphasis has properly been placed upon the first two. Upon the intellectual caliber, creativity, and excellence of training of these men depends the leadership of our technological society. But it would be a great mistake to neglect engineering technicians. They are essential to technological progress. Without them, a nation may still enjoy the flashing intellectual performances of its

The Year in Review

scientists and engineers, but it can never use those performances as the base on which to build important technological developments.

In 1931 the Society for the Promotion of Engineering Education sponsored a survey and report, *A Study of Technical Institutes*, which provided the first national picture of the technical institute and the engineering technician. This study, directed by the late William W. Wickenden and financed by Carnegie Corporation, proved to be a landmark in the later development of technical institutes. In the quarter century since that study, the role of these technical institutes has become increasingly important, and a new study seems essential in order to reappraise the work of the institutes.

Education for Library Service

One study initiated during the year will be watched attentively by those who have observed with interest the movement of new fields toward professional status. It is a study of education for librarians, to be carried out at Western Reserve University under the direction of Jesse Shera with a \$50,000 Carnegie grant. Anyone familiar with current trends in communication, research, and the organization and storing of knowledge, is aware that the librarian's job has been changing rapidly and may change more strikingly in the future. That segment of higher education which is charged with education for library service has been aware of these changes and has sought to keep abreast of them. This has not always been easy. For while the library schools have been trying to gain a better grasp of the responsibilities of librarians under rapidly changing conditions, they have also been traveling the steep path from subprofessional to full professional status. The current study is an effort to gain a better understanding of librarianship in relation to developments in society at large, and to evaluate the changes which will be necessary in library education.

Statistics on Higher Education

All research and planning on higher education have suffered from the fact that the statistics of higher education are in a relatively un-

Annual Report for 1956

developed state. There are only two or three standard sources for such statistics, and none of these sources has had sufficient support to do a proper job. In the difficult years ahead, it will be essential that the many individuals carrying on research and planning for American higher education have at their disposal the very best and most reliable statistical data on our colleges and universities.

In order to further this objective, the Corporation made a grant of \$375,000 to the American Council on Education for the establishment of an office of statistical information and research. This office will undertake a systematic appraisal of statistical procedures now in use in higher education and will work toward the improvement of these procedures. The office will not itself become a major center for the gathering and publishing of statistical data, but instead will do evaluative and pilot studies which will lead to the improvement of such statistics wherever they are gathered and published.

Historical Developments

All of the central problems in American higher education are better understood in the light of their historical development. American higher education has a rich and interesting history, and the problems which are with us today are for the most part problems which have been with us for a very long time. An examination of the history of American higher education illuminates its present conflicts, issues, and dilemmas.

During the current year the Corporation made a grant of \$50,000 to Stanford University to enable W. H. Cowley to continue his important research on the functions and institutions of higher education. Mr. Cowley, former president of Hamilton College, is perhaps the foremost historian in this field.

Institutional Studies

Quite another way of approaching the problems of American higher education is to focus not upon some general question of interest to all institutions but upon a single institution. During the current year the

The Year in Review

Corporation supported a number of institutional studies, some of them modest in nature and others quite ambitious.

Perhaps the most ambitious of the studies is that being undertaken by the University of Pennsylvania. The University has recognized the problems and the challenge which it—in common with all of our great institutions—faces in the years ahead. The maintenance and strengthening of its position as one of our leading universities depends upon a thorough and intelligent appraisal of its present resources, its strengths and weaknesses, and consideration of the directions in which it must develop over the years ahead. As a part of its total study, the University of Pennsylvania is undertaking a thorough re-examination of its graduate school and of its college of arts and sciences. The Corporation made a grant of \$145,000 to enable it to carry through this portion of the study.

Another major institutional study is that being undertaken by Columbia University. President Grayson Kirk has appointed a committee on the educational future of the University under the chairmanship of Arthur W. MacMahon, professor of government. This committee will make a thorough and all-embracing study of the educational program of the University. There will be wide faculty participation in the study. One initial objective will be to explore the role of the university—of *any* university—in a society such as ours. This will provide background for more specific questions concerning the role of Columbia University in the future, given its strengths, its traditions, and the kinds of functions which it has proved itself capable of performing.

Other institutional studies have been supported by the Corporation during the current year at Antioch College, the New York School of Social Work, Sarah Lawrence College, and Tufts University.



The Improvement of Teaching

READERS of these reports are thoroughly familiar with Carnegie Corporation's long-standing interest in the improvement of teaching. This interest has taken many forms: the support of curricular experiments, grants for teachers to engage in scholarly work, faculty leaves for distinguished teachers, the development of new teaching methods, and the improvement of textbooks.

Strengthening the Liberal Arts

The Corporation has had a particular interest over the years in the strength and vitality of teaching in the liberal arts. Over the past few years it has spent approximately \$2 million for the improvement of undergraduate programs in liberal arts colleges.

During the current year the Corporation made a grant of \$45,000 to Earlham College for group tutorials in the humanities; one of \$50,000 to Lawrence College for a new program of sophomore studies in general education; another of \$35,000 to the University of Massachusetts for the adoption of new techniques of foreign language teaching; \$35,000 to the University of New Hampshire for a new program of preceptorial studies; \$45,000 to St. Francis Xavier College for Women for the improvement of instruction in the natural sciences; \$25,000 to Tuskegee Institute for an experiment in remedial English, reading, and mathematics; and \$9,300 to Oberlin College for experimental courses in mathematics for freshmen.

The Corporation will continue to support efforts to strengthen the liberal arts curriculum. Undergraduate liberal education is on trial for its life. It will not be saved by pious appeals that it be respected on the grounds of tradition.

American Studies

In recent years one of the Corporation's most active fields of interest within the liberal arts has been the field of American studies. During

The Year in Review

the current year the Corporation made a grant of \$37,500 to the American Studies Association for the continued strengthening of its program. This is a renewal of a previous grant. The Association engages in a broad range of activities calculated to invigorate and serve the field of American studies in colleges and universities throughout the country.

The Corporation also provided support for a rather specialized project within this field. Most programs of American studies have encountered problems in offering an adequate presentation of American art. A major obstacle is the shortage of suitable teaching materials—slides, color reproductions, and the like. After consulting specialists in American art, the Corporation made a grant of \$110,000 to the University of Georgia to enable Lamar Dodd, chairman of the art department, to form a committee to develop such teaching materials. Mr. Dodd and his committee will deal with American arts including furniture, silver, and architecture, as well as painting and sculpture. A comprehensive study will be made to identify the best examples in each category, and then a collection of slides and perhaps other teaching materials will be produced. A limited number of these experimental sets will be tested in selected institutions.

It is hoped that such a collection will not only be useful in college art departments but—since it will illuminate the social, economic, and historical background of our country—in other departments concerned with American studies.

The Teaching of Mathematics

One area of teaching which has received just about as much popular attention as it can stand during the current year is mathematics. The attention was long overdue. It is important to say at the outset, however, that the difficulties in this field are not to be laid solely or even chiefly at the door of the present corps of mathematics teachers. Mathematics is a subject which has been neglected by everyone. Administrators have not done what they could to strengthen it; teacher training institutions have slighted it. Sensible people will not waste

Annual Report for 1956

time and energy in seeking to place the blame for present difficulties. The chief thing is to get on with the task of improving the teaching of mathematics.

For a number of years there have been suggestions that the mathematics curriculum in high schools required overall revision. It goes without saying that such revision is difficult. The present mathematics courses are deeply rooted in the experience of the present corps of teachers, in textbooks, and in the minds of the public. They are not easily changed. A vigorous group of professors at the University of Illinois, however, has proposed to do just that. A committee composed of representatives from the school of education, the school of engineering, and the department of mathematics is undertaking a complete revision of the high school mathematics curriculum. A number of secondary schools are cooperating in the program by testing new teaching methods and materials under actual teaching conditions. The program is being developed with a grant of \$277,000 from Carnegie Corporation.

Master of Arts in Teaching

One of the most important steps which the Corporation has taken in recent years towards the improvement of teaching was embodied in a grant made five years ago to George Peabody College for Teachers. The Corporation made available the sum of \$100,000 to enable Peabody to bring outstanding liberal arts college graduates to its campus for a year of graduate and professional preparation for a teaching career. The program has received an additional Corporation grant of \$150,000 to continue the fellowships, and also to strengthen in various ways the liberal arts offerings of the College. This program has amply demonstrated the feasibility of recruiting promising future teachers from among the graduates of liberal arts colleges and providing them adequate professional training at the graduate level.



Administration of Higher Education

In the Corporation's new program in higher education, the administration of colleges and universities will continue to be a subject of central interest.

Financing of Higher Education

As any college president can testify, the most critical problem in administration is the problem of financing. In the past decade the most significant development in the financing of higher education has been the emergence of corporate giving, and the chief instrumentality for the encouragement of that area of philanthropy has been the Council for Financial Aid to Education. During the current year the Corporation renewed its support of the Council with a grant of \$100,000.

The Council reports that the estimated income from every sort of voluntary gift to colleges and universities was \$507 million for the year 1954-55. This represents an increase of 50 per cent over 1951. The support from business concerns alone increased 100 per cent during the same period. Of the \$507 million from all voluntary sources, about 16 per cent was contributed by alumni and 12 per cent by business corporations (exclusive of contract research). The Council states that "business support of the colleges, although still a minor factor in the total, is increasing at a rate more than twice as great as support from all other sources. . . ."

One financing problem familiar to all college or university administrators is that of negotiating college housing loans. In the course of the year a grant of \$10,000 was made to the American Council on Education for a timely study of this subject.

Institute for College Presidents

Although problems of financing dominate the list of administrative questions, there are other perplexing matters on the college president's

Annual Report for 1956

agenda. Modern institutions of higher education are often incredibly complex. Our large universities are dedicated to a bewildering multiplicity of objectives. Few of them are administratively organized in such a way as to function effectively. And whether the institution is large or small, efficient or inefficient, simply or intricately organized, the president is faced with unique problems of personal leadership.

The man who steps into this exacting job has very often had little or no experience to prepare him for the ordeal. In most business organizations the chief executive has come up through a series of jobs which have fitted him for top management. But the new college or university president often comes directly from the ranks of scholars. He may have had some experience—brief or protracted—as a dean. But nothing in his experience has been comparable to the tremendous range of problems which he encounters the day he sets foot in the president's office.

Last year the Corporation joined with the Association of American Colleges in an experimental program designed to assist the new college or university president. A group of presidents was brought to Cambridge, Massachusetts, for a week of seminars and conferences. Robert W. Merry and Vernon R. Alden of the Harvard School of Business Administration conducted the program.

On the basis of this experience the Corporation has taken steps to establish the program on a more permanent basis. Accordingly, during the current year it made a \$340,000 grant to establish the Institute for College and University Administrators under the direction of Messrs. Merry and Alden.

Replenishing Intellectual Resources

A more modest attempt to contribute to the effectiveness of that harassed individual, the college or university president, is represented by a grant of \$10,000 to the Association of American Colleges for a seminar for college presidents. In an experimental program, a group of college presidents met in Nova Scotia for a full week during the summer to read, study, and discuss a selected group of books bearing upon liberal arts education.



Public and International Affairs

THE second major element in the Corporation's new program is public and international affairs. In the beginning of this program, there will be less emphasis on the "public" than on the "international" component, but there is a strong element of artificiality in any sharp separation of the domestic and international sides of American life. Our international dealings leave a heavy mark upon our domestic life, and our domestic preoccupations affect our foreign policy in important ways. The Corporation will be primarily concerned with United States leadership in the world, but that inevitably involves its leadership at home. The use of the word "public" in the title of this program recognizes the validity of that relationship.

International Exchange

The largest grant made during the year was a gift of \$1.5 million to the Institute of International Education. The Institute was founded in 1919 by the Carnegie Endowment for International Peace, with the aid of a grant of \$30,000 from Carnegie Corporation. In the 37 years since its founding, the Institute has received continuous support from the Corporation. The current gift brings the total amount granted to approximately \$2,700,000.

Thirty-seven years is a long period of support for a single organization. Ordinarily, the Corporation has followed the policy of freeing its money after a suitable period in order to pursue other purposes. The Institute, however, is performing an extremely important service, and if support were withdrawn abruptly, its capacity to operate effectively would be severely impaired.

With these considerations in mind the Corporation voted a terminal grant equal to ten years' support at the current rate. This amount was turned over to the Institute in a lump sum with the understanding that it might be used for any legitimate purposes within the scope of

Annual Report for 1956

the Institute, provided only that it not be spent at a rate greater than \$150,000 per year.

The Corporation's relationship to the Institute has been a source of pride and gratification on both sides. The Corporation's interest in and sympathy for the objectives of the Institute will not diminish with the termination of its active support.

American Representation Abroad

One of the most perplexing problems facing the United States in its international relations is that of overseas representation. In an earlier day our representatives abroad were more or less confined to the traditional activities of diplomacy. Today, however, we are engaged in major programs of economic development, military aid, information and cultural exchange. We participate in many international and regional organizations, some of them multilateral specialized agencies engaged in extremely complex operations.

Major problems arise concerning the proper training for our overseas representatives; the appropriate form of career service; the coordination overseas of the various types of representation; the organization in Washington to coordinate these activities; and public attitudes toward our overseas representation.

During the current year the Corporation made a grant of \$85,000 to Columbia University for support of an American Assembly dealing with these problems. The major conference on the subject was held in May, 1956, and was followed by regional conferences for discussion of the same question.

American Missionaries

Of all the various facets of American activities overseas, perhaps the least known and least understood is our missionary work. Although it is difficult to obtain exact figures, American missionaries abroad number in the neighborhood of 22,000 and probably constitute, except for government personnel, the largest single category of Americans on foreign soil. And unlike most United States citizens abroad, they are

The Year in Review

not clustered in capital cities; they are spread throughout towns, villages, and back country. More than any other group of Americans overseas, they are working with other peoples "at the grass roots." The existence of this vigorous and far-flung movement is almost unrecognized. Also unrecognized is the fact that the missionary movement has shown remarkable vitality and adaptiveness in transforming itself to meet the times.

One of the most widely known institutions for the training of Christians for overseas work is the Kennedy School of Missions, a constituent part of the Hartford Seminary Foundation. The Kennedy School has developed a remarkable training program designed to equip the student with the skills, attitudes, and knowledge he will need in order to live and work with native peoples in far parts of the world. The Corporation has supported the Kennedy School in past years. During the current year it made another grant of \$120,000 to enable the School to strengthen its training program.

Undergraduate Courses in International Relations

America's colleges and universities are educating the future leaders of the country. It is of central importance that these young men and women receive an effective exposure to the field of international affairs. Surely all American college graduates should carry away with them a reasonable comprehension of America's position in the world, of the problems and perils of international affairs in the nuclear age, and of the possibilities and limitations of our foreign policy. These goals are not easily achieved.

America's world position has shifted with extraordinary rapidity. What were yesterday regarded as landmarks of our foreign policy are now, in some instances, out of date.

Under the circumstances one must be impressed by the vigorous job which our colleges and universities have done in the brief decade since the war to spread the teaching of international affairs and to establish it on an up-to-date basis. There is still room for improvement in the undergraduate teaching of this subject, and the need for imaginative

Annual Report for 1956

experimentation, for the testing of new methods, and for new approaches to the problem is compelling.

One pioneering approach is being undertaken by the University of Chicago, where undergraduate courses on major foreign areas are being established. The University is initiating general education courses on Chinese civilization, Indian civilization, and the Moslem world, and each undergraduate will be required to take one of them. The Corporation has voted a grant of \$75,000 to support the new courses on the Chinese and Indian civilizations.

Other significant curricular experiments in international affairs at Southwestern at Memphis and Western College for Women received Corporation grants during the year.

Research in International Affairs

Although the pressing nature of our international problems draws urgent attention to the need for education and action, the thoughtful observer also recognizes the need for research. We have a very faulty comprehension of the nature of some of our major problems in world affairs, and a portion of our difficulties arises not from lack of good will or skill or native good sense, but plainly and simply from an inadequate grasp of the problems we face. This is not to say that others have the knowledge while we do not. The world as a world is facing dilemmas which it has never faced before, and man is facing problems which are wholly new in his experience. A deeply probing, serious, and systematic attempt to broaden our comprehension of these problems is in order.

In the course of the current year the Corporation made a grant of \$75,000 to the Social Science Research Council for studies and conferences on national security policies. These studies will give primary attention to problems of civil-military relations. As national security has come to demand the regular participation of the military at high policy levels, the easy simplicity of such traditional precepts as "civilian supremacy" has become blurred. A responsible and competent investigation of this new relationship between the military and

The Year in Review

civilian is essential if we are to grasp the issues underlying one of our most important governmental problems.

A grant of \$100,000 was voted to Tulane University for a collaborative study of the development of democratic government in West Africa. West African societies are shifting rapidly from their traditional ways to more modern systems of government. Such swift transition brings in its wake every sort of social problem. The free world needs a better understanding of the nature of the problems created by these transitions, as well as the ultimate goal toward which such societies are moving. The men who will carry forward this major research effort are David Apter, Northwestern University; James S. Coleman, University of California at Los Angeles; L. Gray Cowan, Columbia University; George Horner, Boston University; and Robert A. Lystad, Tulane University.

Although research on the Soviet Union has been exceedingly active over the past decade, the American specialist on the Soviet Union has suffered a severe handicap. He has not been able to visit the area on which he is supposed to be an expert. The vitality and continuing strength of American knowledge of the Soviet Union depends upon a highly motivated and thoroughly informed corps of specialists. Specialists on Russia who have never seen the U.S.S.R. cannot long remain expert, nor can they be expected to maintain a keen career interest in their specialty.

Now that some bans to Russian travel have been removed, the Corporation has made a grant of \$200,000 to Columbia University to enable American specialists on the U.S.S.R. to visit that country. Under present conditions visas are being granted for very brief stays (usually 30 days), so the individual accepting such a travel grant cannot engage in profound or exhaustive research. But the individuals chosen are primarily those outstanding younger men who have exhibited exceptional competence in their research and teaching on the U.S.S.R., and for such individuals even a brief visit is extremely illuminating.

The travel grants are administered by an inter-university committee made up of nationally known specialists on the Soviet Union.



Foundations and Public Policy

CARNEGIE Corporation has long accepted the principle that foundations should make full disclosure of their finances and activities. This report, the 36th in a series beginning in 1921, is one of its efforts in that direction. Many other large foundations, and an increasing number of small ones, issue similar reports annually or biennially.

Books, magazine articles, newspapers, congressional hearings, occasional directories, and still other sources add to the fund of publicly available information on foundations. Certain financial data and other information on all tax-exempt foundations are available in the regional offices of the 64 district directors of internal revenue. Yet misinformation and lack of information concerning foundations are widespread; even persons professionally employed in the field have had difficulty in keeping in touch with the vast, diverse, and expanding activities of the foundations. One difficulty is that there is no one place where the mass of published materials on foundations is centrally collected and freely accessible.

After prolonged study of this situation, the Corporation became convinced that the public interest would be served by the establishment of a center charged with gathering all available information about foundations, stimulating adequate reporting where such did not yet exist, and making its collections freely and generally available.

The Corporation believes that such an agency should not be a creature of the foundations in the form of a trade association or membership body, nor should it be empowered to represent or speak for them. It should be an independent agency under its own board of trustees—men knowledgeable about foundations but standing for the public interest. Such an agency could and should seek the cooperation of all foundations; at first in supplying information for the center, and later in sharing support for its activities. The Corporation took the

The Year in Review

initial step in undertaking the financing, and for this purpose made an appropriation of \$100,000 in the fall of 1955.

The Foundation Library Center was incorporated in May, 1956, as an educational institution under authority of the Board of Regents of New York State. Its trustees chose as director F. Emerson Andrews, whose research and writings in the field of foundations and philanthropy are widely known. Mr. Andrews assembled staff, found quarters, and the Center was opened to the public in December in offices at 588 Fifth Avenue.

Although a new agency, the Center begins with extensive collections. Donald R. Young, president of the Russell Sage Foundation, whose advice and assistance in developing the plans for the new organization were invaluable, made available to the Center, as gifts or depository loans, the related books, reports, and files which the Russell Sage Foundation has been accumulating since 1915. The Center purchased from American Foundations Information Service extensive data on some 7,000 organizations classified as foundations. Numerous contributions have been made by other individual foundations. All of this material has been catalogued and filed, and is available for use at the Center's headquarters.

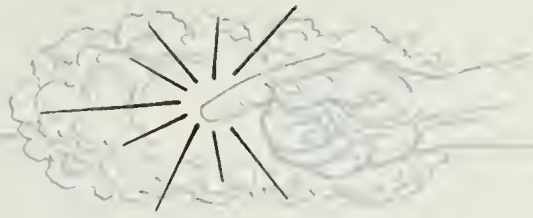
Certain policy limitations have been set up. The Center will not advise seekers of grants as to which foundations might be a likely source of funds, nor arrange introductions to foundation officials. It will not attempt to evaluate projects submitted to foundations. It will not serve as an employment agency. As presently staffed, the Center cannot attempt special compilations or research projects, but its facilities and collections are open for the use of all persons with an interest in foundations and their diverse activities.

The trustees of the Foundation Library Center are Julian P. Boyd, historian; J. Kimball Johnson, director of the Cleveland Foundation; John A. Krout, provost, Columbia University; Robert J. McCracken, minister of the Riverside Church, New York City; Emory W. Morris, president, the W. K. Kellogg Foundation; Vernon Munroe, Jr., lawyer

Annual Report for 1956

with White and Case; James A. Perkins, vice president, Carnegie Corporation of New York; Robert L. Sutherland, director, the Hogg Foundation; Walter M. Upchurch, Jr., secretary of the Shell Companies Foundation; John D. Wilson, vice president, Chase Manhattan Bank; John E. F. Wood, lawyer with Dewey, Ballantine, Bushby, Palmer and Wood; Donald R. Young, president, Russell Sage Foundation; and F. Emerson Andrews, director of the Center.

At the first meeting of the board on June 4, 1956, Mr. Perkins was elected chairman; Mr. Munroe, vice chairman; Mr. Wilson, treasurer; Mr. Wood, secretary.



Creativity

ONE of the most deeply felt responsibilities of the modern foundation is its obligation to foster creativity. This is not a central objective for all foundations, and it is not the sole objective of any foundation. But for those foundations which have concerned themselves with education, with research, and with the discovery and nurture of gifted individuals, the fostering of creativity is a proudly held commitment.

It is an interesting fact that although creative men and women have long been held in high esteem and the social value of creativity widely recognized, we know extraordinarily little about this human trait. What is creativity? What do we mean by a creative individual? How may creativity be nurtured? To what extent does our educational system stifle or encourage creativity? Over the many centuries in which creative men and women have drawn the attention of their fellows, there have been no really satisfactory answers to these questions.

In the course of the current year, the Corporation made a grant of \$150,000 to the University of California for a study of creativity. The Institute of Personality Assessment and Research at Berkeley is probably better fitted than any organization in the country to carry forward investigation of these difficult questions. The research on creativity will be supported by Carnegie funds over a five-year period. It would be naive to suppose that a program such as this will bring us definitive answers on a question which has puzzled human being since the beginning of time. But we may hope for some initial clarification of the problem itself.

The project described above is somewhat unconventional. The more familiar way to deal with creativity is to seek out and support those individuals who seem to possess or show promise of possessing this trait. During the current year the Corporation has not neglected this more conventional approach. A grant of \$250,000 was made to the

Annual Report for 1956

Carnegie Institution of Washington for a program of research fellowships in the natural sciences. The Institution has carried on a fellowship program for many years and with its various laboratories located about the country, it is in an excellent position to identify gifted and promising young scientists. A grant of \$250,000 was voted to the Social Science Research Council for a similar fellowship program in the social sciences.



Program in the British Commonwealth

DURING the year under review appropriations totaling just over \$1 million were made in the Corporation's British Commonwealth program. For the fourth successive year this figure was in excess of the annual income of approximately \$550,000 normally available. The balance has come from a backlog of unspent income which accumulated over the war years. This is now wholly spent or committed.

The Corporation's grants in the Commonwealth continue to be devoted largely to the strengthening of higher education, through support of research and teaching in areas of special relevance to national or regional problems, and through the provision of fellowships and travel grants.

The new university institutions in the colonies were assisted last year in their important task of recruiting and training locally born staff. Postgraduate fellowships were given for this purpose. The Inter-University Council for Higher Education Overseas received \$130,000 to continue these fellowships for three more years.

In recent years the Corporation has aided a variety of projects calculated to strengthen relationships between the colonial university colleges and the communities they serve. A grant of \$45,000 for this purpose was voted during the current year to the University College, Ibadan, Nigeria, for staff travel and for historical research. It will provide assistance for study tours within Nigeria and, in some instances, other areas of West Africa. Also under this grant, the Corporation will share with the government of Nigeria and the Colonial Social Science Research Council the cost of a major study of the ancient city of Benin, to be undertaken by a team of historians and social scientists.

In the Caribbean, two grants totaling \$63,500 have been made to the University College of the West Indies. The first will enable the College's extramural department to expand and to extend to all of the West Indian territories its successful Jamaican experiment in edu-

Annual Report for 1956

cational radio broadcasting. Through this medium of adult education the College can offer responsible educational leadership on a wide front. Such leadership is sorely needed as the scattered territories of the West Indies move rapidly toward self-government on a federal basis. The second grant was in the economic field, for the development and analysis of national accounts by the Institute of Social and Economic Research. This will be a searching look into the economic realities attendant on the rapid political and social advances now being experienced by West Indians.

In Canada, the Corporation has continued to aid university programs relating to problems of a national or provincial character and to the future pattern of higher education itself. In 1955-56 a grant of \$88,000 was made to McGill University in further support of its program of arctic studies. Under this program a number of graduate students have received fellowships for research and field work in the far north. Another line of university research receiving increasing attention in Canada is that of education. The multiplicity of problems facing the schools and the enrollment pressures about to reach the universities and colleges are causing mounting anxiety throughout the country. The University of Alberta has developed a plan to expand its research on provincial educational problems. A grant of \$50,000 will support this effort over five years. The National Conference of Canadian Universities was given \$25,000 for a nationwide meeting in Ottawa last November. The conference was concerned with the problem of increased enrollments and the directions in which the universities should move to meet the new situation.

In addition to the colonial student fellowships and other individual awards provided indirectly through the grants described above, the Corporation during the year appropriated a total of \$241,000 for travel and study grants to individuals. A grant of \$20,000 to the Royal Institute of International Affairs, London, renewed the Commonwealth Fellowships offered by that organization for two years. These fellowships enable historians, political scientists, and other scholars from Commonwealth countries to spend an academic year of research

The Year in Review

and lecturing at the Royal Institute, at St. Antony's College, Oxford, or at the University of London's Institute of Commonwealth Studies. The sum of \$36,000 was voted to continue for three more years the Corporation's annual awards to an Australian and a New Zealand journalist for study under the Nieman program at Harvard University. These fellowships, which allow complete freedom on the part of the holder to take whatever courses he may choose, have become highly prized among journalists of these countries.

An appropriation of \$185,000 was made for the Corporation's own continuing program of grants primarily for travel and study in North America by scholars and administrators from Australia, New Zealand, the Union of South Africa, Ceylon, and the colonies. This slightly increased appropriation allowed for a greater number of grants to be made to younger university teachers. It also placed more emphasis on "reverse traffic" in which American and Canadian scholars and administrators are invited to make visits to some of the Commonwealth countries. A complete listing of the 56 individuals to whom allocations were made during 1955-56 will be found on pages 74-76.

Lastly, from the funds for the Commonwealth, \$350,000 was set aside for the selection and purchase of books about the United States. This project has involved the compilation of a list of books which taken together present to the foreign reader a broad overview of present-day American life and its development through the nation's history. This list will be used to assemble sets of books which will be offered as gifts to a limited number of public and academic libraries in the Commonwealth countries in which the Corporation has an active program.

From the Corporation's Journal

Trustees and Staff

At the annual meeting of the board of trustees on November 15, 1955, R. C. Leffingwell, chairman of the board since 1946, asked to be relieved of this office. He has been a trustee since 1923 and will continue to serve the Corporation in that capacity. Morris Hadley, who has been a trustee since 1947, was elected chairman.

Mr. Hadley, a graduate of Yale University and Harvard Law School, is a partner in the New York law firm of Milbank, Tweed, Hope & Hadley. He is president of the New York Public Library, a director of the Milbank Memorial Fund, trustee of the Pierpont Morgan Library, and a fellow of the Yale Corporation.

Nicholas Kelley and Charles Allen Thomas, whose terms as trustees were scheduled to expire at the close of the 1955 annual meeting, were re-elected for five-year terms.

In accordance with the provisions of the constitution of the Corporation, the trustee term of Vannevar Bush ended when he retired from the presidency of the Carnegie Institution of Washington on December 31, 1955. During the 17 years he served as a trustee ex officio, his keen mind and broad knowledge of scientific developments made an invaluable contribution to the deliberations of the board.

Eugene I. Burdock, who joined the staff as an executive assistant in 1953, resigned in March, 1956, to accept a position as a research scientist in biometrics with the New York State Department of Mental Hygiene.

In March, 1956, Jeanne L. Brand was appointed to the newly created position of research assistant. A graduate of St. Lawrence University,

The Year in Review

Miss Brand received the M.A. degree from the University of Rochester and the Ph.D. in social history from the University of London.

Committees

The executive committee during the year was composed of John W. Gardner, Morris Hadley, Devereux C. Josephs, Nicholas Kelley, R. C. Leffingwell, Frederick Osborn, and Elihu Root, Jr. Mr. Hadley was chairman at the beginning of the year, but after he became chairman of the board, Mr. Josephs was elected chairman of the committee.

The finance committee, elected at the annual meeting, consisted of Arthur W. Page, chairman; Mr. Gardner, Mr. Josephs, Mr. Kelley, Mr. Leffingwell, and Mr. Root. Mr. Hadley was elected a member of the committee on May 17, 1956.

Official Meetings

The board of trustees held meetings on November 15, 1955; and January 19, March 19, and May 17, 1956.

The executive committee met on October 27 and December 15, 1955; and February 23, April 26, June 14, and September 19, 1956.

The finance committee held meetings on October 13, November 10, and December 14, 1955; and January 12, February 9, March 8, April 12, May 10, June 14, July 12, August 9, and September 13, 1956.

The Detailed Record



THE SECRETARY'S REPORT

DURING the year ended September 30, 1956, the trustees appropriated \$7,192,473. This figure includes \$1,070,700 for the program in the British Commonwealth. The Corporation made 39 grants to 34 colleges, universities, and schools; and 39 grants to other educational or research organizations.

As usual, requests outnumbered grants made by more than 10 to 1. Of the 1030 requests which were declined, many were for library buildings, individual scholarships and grants-in-aid, publication subsidies, and other kinds of assistance which the Corporation, as a matter of established policy, does not provide. A considerable number of these requests, however, were for carefully planned projects of real merit which might have received assistance had the competition been less severe.

The list of recipients of grants beginning on page 63 includes institutions and organizations to which funds were appropriated during 1955-1956, with amounts shown between the blue lines in the first column. Also shown are recipients of grants voted in prior years but on which payments were scheduled in 1955-56 or future years. Approximately 110 other grants in operation at the close of the fiscal year do not appear on the list because payments had been completed.

Although Carnegie Corporation does not put a rigid time limit on the use of its grants, any balance remaining after a project has been completed is normally returned to the Corporation. These refunds are added to the income available for appropriation during the year, and listed as "Adjustments of Appropriations" in the tables on page 70.

It is the policy of the Corporation to spend all of its income each year, but careful readers of its reports will note that the income figure is never the same as the figure for appropriations or for payments. As an administrative device, the Corporation operates on a five-year continuing budget under which some of the large grants are charged against income of the years in which they will be paid rather than

Annual Report for 1956

against the income of the year in which the appropriations are voted. Also, there are certain fixed commitments for pensions and administrative expenses which must be deducted before the amount available for appropriation is determined.

The secretary's office is responsible for securing annual progress reports on all grants. The Corporation does not itself publish the findings of any studies which it has supported, but a number of books appear each year under the imprint of commercial or university presses reporting results of projects financed by Corporation grants. The following titles, selected from among 21 books published during the year, indicate the range of activities the Corporation has assisted:

The Balkans in our Time, by Robert Lee Wolff, Harvard University Press.

The Bequest of the Greeks: Mathematics in Retrospect, by Tobias Dantzig, Charles Scribner's Sons.

The British Commonwealth, by Frank H. Underhill, Duke University Commonwealth-Studies Center, Duke University Press.

The Give and Take in Hospitals: A Study of Human Organization in Hospitals, by Temple Burling, Edith M. Lentz and Robert N. Wilson, G. P. Putnam's Sons.

How To Get Better Schools, A Tested Program, by David B. Dreiman, Harper & Brothers.

The Permanent Purge, by Zbigniew K. Brzezinski, Harvard University Press.

The Purpose of the Church and Its Ministry, by H. Richard Niebuhr, Harper & Brothers.

United States Shipping Policy, by Wytze Gortzer, published for the Council on Foreign Relations by Harper & Brothers.

The Detailed Record

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

Appropriations and Payments

During the Year Ended September 30, 1956

This schedule shows all payments made during the fiscal year 1955-56 from appropriations of that year and of preceding years. Amounts in the first column marked thus (*) are grants allocated from funds made available in previous years.

United States				
<i>Recipient and Purpose</i>	<i>Appropriated or Allocated During 1955-56</i>	<i>Balance from Previous Grants</i>	<i>Paid During 1955-56</i>	<i>Unpaid Balance Carried Forward</i>
Alaska, University of, Alaskan history textbook (X2556)		\$1,400	\$1,400 ^①	
American Association for the Advancement of Science, Program to improve teaching of science and mathematics in secondary schools (B2784) Conferences in mathematics teaching (X2622)	\$6,000	200,000	100,000 6,000	\$100,000
American Council of Learned Societies, Dictionary of American Biography (B2663) Administrative expenses (X2634) Support of Commission on Humanities (X2662)	75,000 12,500	20,000	10,000 75,000 12,500	10,000
American Council on Education, Support of Office of Statistical Information and Research (B2819) Survey of college housing (X2622) Conference on preparation of secondary school teachers (X2622)	375,000 10,000* 5,883*		75,000 10,000 5,883	300,000
American Society for Engineering Education, Study of training of engineering technicians (X2632)	38,000		38,000	
American Studies Association, To strengthen its program (B2709, X2633) Conference on undergraduate teaching of American studies (X2622)	37,500 3,000	12,500	18,500 3,000	31,500
Amherst College, American studies (X2585)		33,000	11,000	22,000
Antioch College, Study of educational program and organization of experimental projects (B2720, X2628)	70,250*		18,750	51,500

① Written off; included in total payments.

Annual Report for 1956

Appropriations and Payments—United States

<i>Recipient and Purpose</i>	<i>Appropriated or Allocated During 1955-56</i>	<i>Balance from Previous Grants</i>	<i>Paid During 1955-56</i>	<i>Unpaid Balance Carried Forward</i>
Association of American Colleges, Seminar of Commission on Liberal Education (X2622)	\$10,000*		\$10,000	
Association of American Universities, Woodrow Wilson fellowships (B2614)		\$200,000	100,000	\$100,000
Expenses of American delegates to British universities conference (B2800)	22,000		22,000	
To plan a study of university libraries (X2622)	2,500		2,500	
Association of the Bar of the City of New York Fund, Inc., Seminar on atomic energy (X2622)	938*		938	
Atlanta University, School of Library Service, scholarships (B2567)		4,000	4,000	
Bishop (Bernice P.) Museum, Pacific studies (B2616)		40,000	20,000	20,000
Brooklyn Public Library, Reading improvement program (B2789)		60,000	21,500	38,500
Brown University, Internships in general education (X2597)		25,000	25,000	
Bucknell University, Expansion of University Course (B2658)		5,000	5,000	
California, University of, Research on brain organization and behavior (B2613)		30,000	15,000	15,000
Study of diversification of American higher education (X2621)		77,000	77,000	
Research on creativity (B2797)	150,000		35,000	115,000
Research on higher education (B2817)	400,000			400,000
Carnegie Foundation for the Advancement of Teaching, Graduate education in the South (B2539)		468,529	210,331	258,198
Carnegie Institute (Pittsburgh), Repairs and improvements to physical plant (X2564)		750,000	750,000	
Carnegie Institute of Technology, System of faculty leaves (B2558)		12,000	12,000	
Carnegie Institution of Washington, Yerkes Laboratories of Primate Biology (X2614)		40,000	10,000	30,000
Fellowships in natural sciences (B2822)	250,000			250,000
Case Institute of Technology, Program in humanities and social studies (B2598)		30,000	30,000	

The Detailed Record

Appropriations and Payments—United States				
<i>Recipient and Purpose</i>	<i>Appropriated or Allocated During 1955-56</i>	<i>Balance from Previous Grants</i>	<i>Paid During 1955-56</i>	<i>Unpaid Balance Carried Forward</i>
Chicago, University of, Internships in general education (B2753)		\$25,000	\$25,000	
Preparation of college teachers (B2559)		20,000	20,000	
Philippine studies (B2642)		30,000	15,000	\$15,000
Preparation for publication of letters of Edmund Burke (B2645)		26,500	8,800	17,700
Center for Study of American Foreign Policy (B2723)		25,000	25,000	
New undergraduate courses on non-Western civilizations (X2659)	\$75,000		25,000	50,000
Colgate University, New courses for juniors and seniors (X2598)		110,000	27,500	82,500
Columbia University, General education courses in Asiatic civilization (B2562)		15,000	15,000	
Internships in general education (B2752)		25,000	25,000	
East European studies (B2705)		150,000	50,000	100,000
Review of general education (B2756)		35,000	25,000	10,000
Oral History Research Office (X2620)		75,000	15,000	60,000
American Assembly on Representation of United States Abroad (B2810)	85,000		85,000	
Travel grants to enable Russian specialists in United States to visit U.S.S.R. (B2811)	200,000		100,000	100,000
Study of educational program (X2646)	150,000		150,000	
Barnard College, Program in American civilization (B2597)		15,000	15,000	
Teachers College, Program of citizenship education (B2629)		150,000	150,000	
Research on higher education (B2818)	375,000		105,000	270,000
Columbia University Press, Publication of variorum commentary on poems of John Milton (X2556)		9,000		9,000
Publication of translations of oriental historical materials (B2766)		80,000	20,000	60,000
Cornell University, Study of impact of technological change on non-industrialized societies (B2512, B2750)		90,000	90,000	
Research on social factors affecting mental health (X2635)	78,750		26,250	52,500
Council for Financial Aid to Education, Support (B2675, B2805)	100,000	50,000	50,000	100,000
Council on Foreign Relations, Research, regional committees, and fellowships (B2748)		428,000	107,000	321,000
Duke University, Center of Commonwealth Studies (B2765)		300,000	75,000	225,000

Annual Report for 1956

Appropriations and Payments—United States				
<i>Recipient and Purpose</i>	<i>Appropriated or Allocated During 1955-56</i>	<i>Balance from Previous Grants</i>	<i>Paid During 1955-56</i>	<i>Unpaid Balance Carried Forward</i>
Earlham College, Experiment with small group tutorials for selected students in humanities (B2720, X2654)	\$45,000*		\$15,000	\$30,000
Educational Testing Service, Study of methods of evaluating colleges (X2622)	10,427*		10,427	
Foundation Library Center, Establishment and support (B2795)	100,000		100,000	
George Peabody College for Teachers, Fellowships and strengthening of liberal arts curriculum (X2643)	150,000		30,000	120,000
Georgia, University of, Survey and collection of materials for study of arts of the United States (B2798)	110,000		38,400	71,600
Hartford Seminary Foundation, Instruction in Kennedy School of Missions (B2542, B2824)	120,000	\$15,000	15,000	120,000
Harvard University, Russian Research Center (B2465)		300,000	150,000	150,000
Research in social relations (B2511)		20,000	20,000	
Internships in general education (B2754)		25,000	25,000	
International studies (B2785)		700,000	50,000	650,000
Haskins Laboratories, Psycho-physical research on auditory patterns (B2620)		40,000	20,000	20,000
Hawaii, University of, Pacific studies (B2615)		40,000	20,000	20,000
Visiting professorships (B2706)		108,000	36,000	72,000
Illinois, University of, Development of new high school mathematics curriculum (X2656)	277,000		42,800	234,200
Workshop in higher education (X2622)	3,450		3,450	
Institute for College and University Administrators, Research and training programs in academic administration (B2796)	340,000		105,600	234,400
Institute of International Education, Support (B2804)	1,500,000		1,500,000	
Lawrence College, New sophomore courses (B2720, X2648)	50,000*		10,000	40,000
Liberal Arts Colleges, Improvement of undergraduate education; unallocated (B2720)		544,900	(a)	200,350

(a) \$344,550 listed as allocations to individual institutions.

The Detailed Record

Appropriations and Payments—United States

<i>Recipient and Purpose</i>	<i>Appropriated or Allocated During 1955-56</i>	<i>Balance from Previous Grants</i>	<i>Paid During 1955-56</i>	<i>Unpaid Balance Carried Forward</i>
Long Island Biological Association, Cold Spring Harbor symposia (B2568, X2668)	\$15,000	\$6,000	\$21,000	
Louisville, University of, Police training institute (B2767)		85,000	25,000	\$60,000
Management Surveys, Unallocated (B2682)		17,543	(a)	16,873
Massachusetts Institute of Technology, Research and conferences on American studies (B2786)		100,000	50,000	50,000
Massachusetts, University of, Foreign language teaching (B2720, X2655)	35,000*		6,600	28,400
Michigan State College, Research on technical assistance in under- developed areas (B2749)		120,000	30,000	90,000
Michigan, University of, Japanese studies (B2574)		35,000	35,000	
Mills College, American studies (B2720, X2611)		52,000	18,000	34,000
Minnesota, University of, American studies (B2732)		93,000	45,800	47,200
Mount Holyoke College, Interdepartmental courses for seniors (B2720, X2605)		96,000	22,000	74,000
National Academy of Sciences—National Research Council, Fellowships in physiological psychology (B2707)		84,000	28,000	56,000
Information on persons receiving doctorates in social sciences and humanities (X2622)	2,752* 8,598 }		11,350	
National Citizens Commission for the Public Schools, Support of National Citizens Council for Better Schools (B2764)		500,000	225,000	275,000
National Council on Religion in Higher Education, Fellowships (B2600)		15,000	15,000	
National Merit Scholarship Corporation, Administrative expenses (B2783)		400,000	100,000	300,000
Nebraska, University of, Community education program (B2733)		76,800	38,900	37,900
New Hampshire, University of, Preceptorial studies (B2720, X2631)	35,000*		10,000	25,000
New York School of Social Work, Management survey (B2682)	670*		670	
Study and revision of educational program (X2657)	75,000		35,000	40,000

(a) \$670 listed as allocation to institution.

Annual Report for 1956

Appropriations and Payments—United States

<i>Recipient and Purpose</i>	<i>Appropriated or Allocated During 1955-56</i>	<i>Balance from Previous Grants</i>	<i>Paid During 1955-56</i>	<i>Unpaid Balance Carried Forward</i>
New York University, Workshop on higher education (X2622)	\$2,225		\$2,225	
Northwestern University, African studies (B2541)		\$20,000	20,000	
Development of general education for undergraduates (B2720, B2738)		20,000	10,000	\$10,000
Oberlin College, Experimental courses in mathematics for freshmen (B2720, X2641)	9,300*		9,300	
Occidental College, History of civilization course (B2720, X2607)		48,000	12,000	36,000
Omaha, University of, Scholarships in college business management (B2787)		48,000	12,000	36,000
Pennsylvania State University, Instructional film research program (B2679)		8,500	8,500	
Pennsylvania, University of, South Asian studies (B2575)		30,000	30,000	
American studies (X2599)		120,000	30,000	90,000
Study of College of Arts and Sciences and Graduate School of Arts and Sciences (B2821)	145,000		145,000	
Practising Law Institute, Educational program for district attorneys (B2676)		15,000	10,000	5,000
Princeton University, Near Eastern studies (B2576)		12,300	12,300	
Council of the Humanities (B2703)		150,000	50,000	100,000
Puerto Rico, University of, Faculty research fellowships (B2722)		120,000	40,000	80,000
Radcliffe College, Workshop on higher education (X2622)	2,300		2,300	
Reed College, Senior course in general education (B2720, X2568)		5,000	5,000	
Saint Francis Xavier College for Women, Instruction in natural sciences (B2720, X2642)	45,000*		15,000	30,000
Saint Louis University, Research and training in human relations (B2660)		20,000	10,000	10,000
Sarah Lawrence College, Study of educational program (B2720, X2629)	30,000*		15,000	15,000
Smith College, New courses of instruction (B2560)		10,000	10,000	

The Detailed Record

Appropriations and Payments—United States

<i>Recipient and Purpose</i>	<i>Appropriated or Allocated During 1955-56</i>	<i>Balance from Previous Grants</i>	<i>Paid During 1955-56</i>	<i>Unpaid Balance Carried Forward</i>
Social Science Research Council, Faculty research fellowships, (B2397, B2690)		\$440,000	\$100,000	\$340,000
Administrative expenses (X2553)		120,000	40,000	80,000
Studies on American military policy (B2708)		25,000	25,000	
Language studies (B2770)		37,500	37,500	
Studies in field of state government (X2602)		100,000	50,000	50,000
Studies and conferences on national security policies (B2812)	\$75,000		37,500	37,500
Faculty research grants (B2823)	250,000			250,000
Southern Regional Education Board, Workshop on higher education (X2622)	4,450		4,450	
Southwestern at Memphis, International studies (X2661)	35,000		13,000	22,000
Stanford University, Research on economic development of Africa (X2554)		90,000	30,000	60,000
Special graduate courses (B2692)		12,150	12,150	
Historical research on higher education (B2799)	50,000		10,000	40,000
Swarthmore College, Study of education for business (B2820)	100,000		25,000	75,000
Syracuse University, Case studies in public administration (X2555)		25,000	25,000	
Study of training for public service overseas (X2622)	10,000*		10,000	
Teachers Insurance and Annuity Association, To strengthen its reserves (B2674)		112,500 ^② 2,137,500 }	750,000	1,500,000
Temple University, Study of liberal arts program and introduction of general education courses (B2720, X2610)		41,500	41,500	
Tufts University, Study of educational program (X2647)	35,000		35,000	
Tulane University, Latin American studies (B2606)		17,000	17,000	
Research on development of democratic government in West Africa (X2658)	100,000		20,000	80,000
Tuskegee Institute, Experiment in remedial English usage, reading, and mathematics (B2720, X2630)	25,000*		12,500	12,500
Wesleyan University, Interdepartmental seminars in history, government, and economics (B2704)		36,000	12,000	24,000
Western College for Women, Intercultural studies (X2660)	60,000		12,000	48,000

② Transfer from British Dominion Colonies; included in total balance.

Annual Report for 1956

Appropriations and Payments—United States

<i>Recipient and Purpose</i>	<i>Appropriated or Allocated During 1955-56</i>	<i>Balance from Previous Grants</i>	<i>Paid During 1955-56</i>	<i>Unpaid Balance Carried Forward</i>
Western Interstate Commission for Higher Education, Workshop on higher education (X2622)	\$4,500		\$4,500	
Western Reserve University, Research and experimentation on education for librarianship (X2644)	50,000		18,000	\$32,000
Wisconsin, University of, Visiting professorships in British Commonwealth history (X2586)		\$24,000	6,000	18,000
Wyoming, University of, Program in international affairs (B2734)		30,000	10,000	20,000
Yale University, Southeast Asian studies (B2577)		30,000	30,000	
Teacher training program (B2691)		150,000	50,000	100,000
Internships in general education (B2755)		25,000	25,000	
Various Items, Conferences and consultation on education beyond the high school (X2663)	7,500		2,580	4,920
Pilot study of governing of higher education (B2813)	16,500		1,300	15,200
Travel grants for academic administrators (B2664, X2615)		47,389	12,896	34,493
Funds made available but remaining unallocated (X2670)	50,000	50,000		50,000
TOTAL APPROPRIATED OR ALLOCATED	\$6,516,993			
Less: Allocated from funds voted in previous years as shown (*) above	395,220			
TOTALS: UNITED STATES	\$6,121,773	\$11,317,511	\$7,822,350	\$9,616,934

ADJUSTMENTS OF APPROPRIATIONS

<i>Not required: written off (listed above)</i>	<i>\$1,400</i>
<i>Refunds from grants made in previous years</i>	
1931-32 Scholarly Publication Fund, Encyclopaedia of the Social Sciences (B903, B915)	1,675
1935-36 Carnegie Institution of Washington (X1489a)	2,383
1947-48 University of Kansas (B2278)	15
1948-49 Association of American Universities (B2364)	147
1949-50 University of Kansas (X2469)	67
1950-51 Kansas State College (X2484)	143
1950-51 University of North Carolina (B2454)	12
1952-53 University of Washington (X2521)	711
1952-53 Wesleyan University (X2521)	807
1953-54 Northwestern University (X2556)	489
1953-54 Yale University (X2556)	51
1954-55 American Council on Education (X2603)	4,054
1954-55 Association of American Colleges (B2769)	2,984
1954-55 Educational Testing Service (B2751)	15,784
	<u>\$30,722</u>

The Detailed Record

Appropriations and Payments—British Dominions and Colonies				
<i>Recipient and Purpose</i>	<i>Appropriated or Allocated During 1955-56</i>	<i>Balance from Previous Grants</i>	<i>Paid During 1955-56</i>	<i>Unpaid Balance Carried Forward</i>
Alberta, University of, Educational research (X2649)	\$50,000		\$13,500	\$36,500
American Bookshelf, Sets of books about the United States for libraries in British Commonwealth (B2814)	350,000		173,105	176,895
Association of Universities of the British Commonwealth, Quinquennial Congress in Canada (X2616)		\$75,000		75,000
Australian Council for Educational Research, Study of inspection in state primary schools (X2623)	7,000*		7,000	
Carnegie Institution of Washington, Travel and study (X2623)	800* } 4,200 }		5,000	
Commonwealth Scientific and Industrial Research Organization, Australia, Equipment for division of radio physics (B2727)		250,000	250,000	
Educational Testing Service, Psychometric fellowship (X2623)	3,000*		3,000	
Assistance to University of Malaya (conditional grant) (X2669)	50,000			50,000
Fourah Bay College, Library development (X2557)		4,000	2,100	1,900
Gold Coast College of Technology, Science & Arts, Library development (B2759)		5,500	2,000	3,500
Humanities Research Council of Canada, Faculty travel and study (B2695)		45,000	15,000	30,000
Inter-University Council for Higher Education Overseas, Fellowships for colonial students (X2626)	130,000		30,000	100,000
Laval University, Research in social sciences (B2771)		104,000	26,000	78,000
Makerere College, Study of African leadership by East African Institute of Social Research (B2670, B2790)		28,500	28,500	
Teaching and research (X2589)		65,000	22,000	43,000
McGill University, Arctic studies (X2636)	88,000		16,250	71,750
McMaster University, Teaching in psychology (B2624)		4,700	3,100	1,600
Memorial University of Newfoundland, Faculty travel and historical research (B2773)		36,000	14,000	22,000

Annual Report for 1956

Appropriations and Payments—British Dominions and Colonies				
<i>Recipient and Purpose</i>	<i>Appropriated or Allocated During 1955-56</i>	<i>Balance from Previous Grants</i>	<i>Paid During 1955-56</i>	<i>Unpaid Balance Carried Forward</i>
Natal, University of, Institute of Social Research (X2570)		\$12,500	\$12,500	
National Conference of Canadian Universities, Conference on problems of expanding university enrollment (X2623, B2825)	\$5,000* } 20,000 }		25,000	
New Zealand Library Association, Microfilm equipment (X2457)		835		\$835
New Zealand, University of, Research in social sciences (B2668)		24,000	12,000	12,000
Nigerian College of Arts, Science and Technology, Library development (B2760)		6,500	2,500	4,000
Rhodes University, Studies of eastern Cape Province and adjoining areas of South Africa (X2591) Travel expenses of visiting professor (X2623)	5,000*	40,000	10,000 5,000	30,000
Rhodesia and Nyasaland, University College of, Establishment of Central African Institute of Education (X2588)		72,800	18,400	54,400
Royal Institute of International Affairs, Commonwealth fellowships (B2801)	20,000		20,000	
Royal Technical College of East Africa, Library development (X2604)		10,000	7,000	3,000
Rural Training and Demonstration Centre, Asaba, Nigeria, Program of village community development (B2503)		43,484	2,800	40,684
Social Science Research Council of Australia, Grants-in-aid (B2669)		24,000	8,000	16,000
South African Council for Scientific and Industrial Research, Mobile testing laboratory for research on mentality and aptitudes of Africans (X2623) Appointment of an American psychologist (X2623)	4,200* 4,000		4,200 2,500	1,500
Teachers Insurance and Annuity Association, To strengthen its reserves (B2674)		112,500	112,500 ^①	
Toronto Public Library, Publication of Arthur Papers (X2470)		7,500		7,500
Toronto, University of, Studies in comparative law (B2608)		10,000	10,000	

① Transferred to Main Fund; included in total payments.

The Detailed Record

Appropriations and Payments—British Dominions and Colonies

<i>Recipient and Purpose</i>	<i>Appropriated or Allocated During 1955-56</i>	<i>Balance from Previous Grants</i>	<i>Paid During 1955-56</i>	<i>Unpaid Balance Carried Forward</i>
Travel and Study, Grants for, Grants-in-aid, 99 allocations (B2683, B2761, X2627) Unallocated	\$16,590* } 185,000 }	\$110,151	\$171,080	\$104,031 20,040
Dominion journalists, 5 allocations (B2622, B2802) Unallocated	1,200* } 36,000 }	10,639	14,892	5,217 26,530
University College, Ibadan, Nigeria, Nutritional studies (B2791) Historical research and local travel (X2637)	45,000	5,000	5,000 6,273	38,727
West Indies, University College of the, Center for educational research (B2697) Faculty research and study in Caribbean area (B2758)		35,200		35,200
Educational radio program (X2625)	38,500	39,650	15,750 19,500	23,900 19,000
Institute of Social and Economic Research (X2650)	25,000		8,334	16,666
Western Australia, University of, Teaching and research in social anthropology and psychology (B2698)		24,000	8,000	16,000
Witwatersrand, University of the, Price Institute of Geophysical Research (B2607)		51,990	17,400	34,590
Various Items, Funds made available but remaining unallocated (X2671)	25,000	25,000		25,000
TOTAL APPROPRIATED OR ALLOCATED: B.D.& C.	\$1,113,490			
Less: Allocated from funds voted in previous years as shown (*) above	42,790			
TOTALS: B.D.&C.	<u>\$1,070,700</u>	<u>\$1,283,449</u>	<u>\$1,129,184</u>	<u>\$1,224,965</u>

UNITED STATES AND BRITISH DOMINIONS AND COLONIES

SUMMARY OF APPROPRIATIONS AND PAYMENTS

FOR PURPOSES IN UNITED STATES	\$6,121,773	\$11,317,511	\$7,822,350	\$9,616,934
FOR PURPOSES IN BRITISH DOMINIONS AND COLONIES	1,070,700	1,283,449	1,129,184	1,224,965
TOTALS	<u>\$7,192,473</u>	<u>\$12,600,960</u>	<u>\$8,951,534</u>	<u>\$10,841,899</u>

Annual Report for 1956

Grants for Travel and Study—British Dominions and Colonies Program

From Australia

COLIN BADGER

Director, Council of Adult Education, Victoria
Adult education and university extension programs, North America

A. R. CALLAGHAN

Director of Agriculture, South Australia
Agricultural extension work, North America

ROBERT CAMPBELL

Director, National Gallery of South Australia
Collections, display, and restoration, techniques and educational services of art museums, United States

R. G. COOKE

Senior lecturer in organic chemistry, University of Melbourne
Teaching and research in organic chemistry, North America

ROBERT CULVER

Senior lecturer in civil engineering, University of Adelaide
Research and teaching in civil engineering, United States

F. J. F. FISHER

Lecturer in botany, University of Melbourne
Experimental studies of plant evolution, United States

G. H. GELLIE

Senior lecturer in classics, University of Melbourne
Teaching of the classics and their place in liberal education, United States

A. M. GINGES

Lecturer in English, New South Wales University of Technology
Teaching of English in technical institutions and universities, United States

R. H. GREENWOOD

Chief lecturer in geography, University of Queensland
Teaching and research in geography, North America

IDA ELIZABETH JENKINS

Organizer, Women's Session, Australian Broadcasting Commission
Preparation and production of educational television programs primarily for women, North America

J. D. LEGGE

Senior lecturer in history, University of Western Australia
Problems of Indonesian federal government, Cornell University and Indonesia

MEROULA F. LUKIS

State Archivist, State Library of Western Australia
Administration and management of archives, United States

D. M. McDONELL

Principal, Heidelberg Technical School, Melbourne
Technical education, North America

A. F. O'FARRELL

Professor of zoology, University of New England
Zoological research and the organization of university extension work, North America

J. H. REYNOLDS

Warden, St. George's College, University of Western Australia
Residential facilities and student life of colleges and universities, North America

S. H. ROBERTS

Vice-Chancellor, University of Sydney
Higher education and university administration, North America

T. L. ROBERTSON

Director of Education, Western Australia
Administration of public education, North America

W. P. ROGERS

Professor of zoology, University of Adelaide
Teaching and research in zoology, North America

MARJORIE ROUSE

Head, School of Home Science, East Sydney Technical College
Teaching of home economics at the university level, North America

F. J. SCHONELL

Professor of education, and president of the Professorial Board, University of Queensland
Higher education and educational psychology, United Kingdom and North America

R. L. SPECHT

Lecturer in botany, University of Adelaide
Plant nutrition and ecological research, United States

The Detailed Record

Grants for Travel and Study—British Dominions and Colonies Program

WILLIAM STEPHENSON

Professor of zoology, University of Queensland
Research departments in marine biology and university teaching in zoology, North America

E. J. UNDERWOOD

Professor of agriculture and Director of the Institute of Agriculture, University of Western Australia
New developments in agricultural research, organization of graduate training, United States

J. M. WARD

Professor of history, University of Sydney
Teaching and research in Commonwealth history, United Kingdom and North America

F. T. M. WHITE

Professor of mining and metallurgical engineering, University of Queensland
Mining and metallurgical practice, research, and education, North America

WILLIAM WOOD

Principal research and guidance officer, Department of Public Instruction, Queensland
Organization and administration of school systems, United States

From Canada

W. B. BAKER

Director of the School of Agriculture, University of Saskatchewan
Adult education and community development programs, Australia

EDGAR McINNIS

President, Canadian Institute for International Affairs
Lectures on Commonwealth Affairs, South Africa

From New Zealand

HARRY BLOOM

Senior lecturer in chemistry, Auckland University College
Teaching and research in physical chemistry, United States

HECTOR MACASKILL

Librarian, School Library Service, Acting Director, New Zealand Library School, National Library Service
Library schools and library services for young people and for rural areas, North America

P. L. PAGE

Secretary and Treasurer, Education Boards' Association
Administration, control, and financing of secondary and primary education, North America

L. L. POWNALL

Senior lecturer in geography, Canterbury University College
Training of urban geographers and their role in community education on problems of urban growth, North America

From the Federation of Rhodesia and Nyasaland

E. B. EDNEY

Professor of zoology, University College of Rhodesia and Nyasaland
Teaching and research in entomology, higher education for Negroes, North America

From the Union of South Africa

D. Z. DE VILLIERS

Professor of psychology, University College of Fort Hare
Methods of psychological and educational research, United States

P. S. DU TOIT

Professor of education, University of Stellenbosch
Teacher training and educational practices, North America

J. J. GERBER

Senior lecturer in education, Rhodes University
Teacher training, United States

C. J. JOOSTE

Lecturer in urban sociology, University of Natal
Organization of social research, United States

ARNOLD LLOYD

Professor of education, University of Natal, Pietermaritzburg
Teacher training methods and the liberal arts college program, United States

E. G. MALHERBE

Principal, University of Natal
Lectures on South Africa and study of university problems, United States

Annual Report for 1956

Grants for Travel and Study—British Dominions and Colonies Program

J. A. PRINGLE

Director, Natal Museum, Pietermaritzburg
Architecture, exhibition techniques, and school
services of natural history museums, United
States

R. E. VAN DER ROSS

Principal, Battswood Training College, Wynberg
Cape Province

Teacher training, organization of primary and
secondary education, North America

F. J. VAN WYK

Assistant Director, South African Institute of
Race Relations

Race relations and inter-cultural relations, North
America

From the Colonies

G. S. AMAR

Inspector of Asian Schools, Education Depart-
ment, Kenya

Organization of secondary education, United
States

H. R. BINNS

Director, East African Veterinary Research Or-
ganization, Kenya

Veterinary research, North America

MOHAMED EUSOFF

Chairman of Council, University of Malaya
Higher education, student services and activities,
United States

BRIAN HARRISON

Professor of history, University of Hong Kong
University programs on the Far East and South-
East Asia, United States

E. G. PARRINDER

Senior lecturer in religious studies, University Col-
lege, Ibadan, Nigeria

University departments of African studies, Africa
and India

W. D. S. STEWART

Lecturer in education, University of Malaya
Educational testing, North America

D. E. SULTANA

Lecturer in English, Royal University of Malta
Teaching of English, United States

W. J. D. WADLEY

Director of Education, Kenya
Teacher training, North America

J. C. WILSON

Assistant Conservator of Forests, Forestry De-
partment, Gold Coast

Methods of soil and water conservation, United
States

From the United States

HARVIE BRANSCOMB

Chancellor, Vanderbilt University
Higher education, race relations, South Africa

MARGARET HABEIN

Dean of Instruction and Student Services, College
of Arts and Science, University of Rochester

Organization of women's residential colleges, lec-
tures to professional women's groups, Australia

W. H. PEDRICK

Professor of law, Northwestern University
Case system of teaching, Law School of the Uni-
versity of Western Australia

Dominion Journalists

DENIS WARNER

Asian correspondent for Australian Associated
Press, Melbourne

Associate Nieman Fellow, Harvard University

JOHN CORNWELL

Agricultural correspondent, *The New Zealand
Herald*, Auckland

Associate Nieman Fellow, Harvard University

THE TREASURER'S REPORT

BEGINNING on page 84 will be found various statements, cast in the customary form, showing the Corporation's assets and liabilities on September 30, 1956, its income for the year ended on that date and what it was spent for, a summary of its investments and of the changes in them during the year, and a list of all the securities owned at the year's end with their cost and market values. All these statements have been audited by the independent public accounting firm of Price Waterhouse & Co., whose explanation of how they were prepared and opinion that they reflect fairly the Corporation's financial position appear on page 83.

The purpose of the following remarks is to give the reader more information about the Corporation's finances and the changes in its position during the year than can be obtained from the audited statements alone.

The Corporation's assets at cost or book value on September 30, 1956, were classified as follows:

	<u>Sept. 30, 1956</u>	<u>%</u>	<u>Sept. 30, 1955</u>	<u>(+) Increase or (-) Decrease During the Year</u>
Marketable Securities				
U. S. Government Bonds	\$55,735,627	30.31	\$67,509,810	-\$11,774,183
Other Bonds	55,541,709	30.20	42,649,789	+ 12,891,920
Preferred Stocks	7,168,942	3.90	8,907,748	- 1,738,806
Common Stocks	61,824,546	33.62	55,021,477	+ 6,803,069
Reversionary Interests	875,871	.47	1,031,036	- 155,165
Cash	2,418,522	1.32	2,105,941	+ 312,581
Other Assets	<u>334,197</u>	<u>.18</u>	<u>334,197</u>	
	\$183,899,414	100.00	\$177,559,998	+ \$6,339,416

The book value (or cost) of the four classes of marketable securities was \$180,270,824, an increase of \$6,182,000 during the year. The

Annual Report for 1956

increase was due to the reinvestment, principally in other common stocks, of the profits realized on the sale of various common stocks during the year. The market value of these securities was \$245,666,083, the highest ever recorded, representing an increase of \$4,700,716 during the year.

Included in the assets are certain items of income appropriated for specific purposes but not yet paid out under the agreed schedules of payment, and also a small balance of income of the British Dominions and Colonies fund which accumulated during the war years when it could not be spent. The total of this unspent income is:

	<u>Sept. 30, 1956</u>		<u>(+) Increase or (-) Decrease During the Year</u>
Reserves			
Carnegie Foundation Pensions	\$730,001		
Professors' Annuities	<u>435,979</u>		
		\$1,165,980	— \$274,388
Appropriations Payable	\$10,841,899		
Less payable out of future income			
United States	<u>2,049,753</u>		
		8,792,146	— 547,326
Unappropriated Income—British			
Dominions and Colonies		<u>42,680</u>	— 404,118
		\$10,000,806	— \$1,225,832

Endowment

When the foregoing items representing undisbursed income are deducted from the total assets the remainder is \$173,898,608. This is the Corporation's capital fund, from the earnings of which it carries on its activities. It is made up of:

	<u>Sept. 30, 1956</u>	<u>(+) Increase During the Year</u>
Endowment and Legacies	\$135,336,869	
Accumulated Net Profit on Sales and Redemption of Securities	<u>38,561,739</u>	
	\$173,898,608	+\$7,565,248

The Detailed Record

The accumulated net profit is set aside in Depreciation Reserve and in Counsel's opinion is not income and is not available for appropriation. It is to provide for possible future losses from sale or redemption of securities, and loss of premiums on bonds or in the recovery of the remaining reversionary interests in the trusts handled by Home Trust Company.

Miscellaneous Assets

Over 99 per cent of the Corporation's assets is made up of cash and marketable securities at cost. The remainder came from bequests under the wills of Mr. Carnegie and Mrs. Carnegie.

CARNEGIE HOUSE PROPERTIES

The Carnegie House properties were bequeathed to the Corporation by Mrs. Carnegie. They are carried on the Corporation books at the nominal value of \$1. They consist of the land and two buildings located in New York City at Two East Ninety-first Street and Nine East Ninetieth Street. The properties are leased rent-free until September 30, 1970, to the New York School of Social Work, an affiliated graduate school of Columbia University. The School of Social Work has sublet part of one building to the New York School for Nursery Years.

HOME TRUST COMPANY

The Corporation owns all the capital stock (except directors' qualifying shares) of Home Trust Company, which is carried in the Corporation accounts at its appraised value when acquired in 1925 from Mr. Carnegie's estate. It also owns the reversionary interest in various trusts established by Mr. Carnegie and administered by Home Trust Company.

President of Home Trust Company is C. Herbert Lee, treasurer of Carnegie Corporation; vice president is James A. Perkins, vice president of Carnegie Corporation; secretary is Jerome A. Q. Franks; and treasurer is Reginald A. Cook, assistant investment officer of Teachers

Annual Report for 1956

Insurance and Annuity Association. These persons, with Walter A. Mahlstedt, vice president of Teachers Insurance and Annuity Association, make up the Trust Company's board of directors.

Home Trust Company was organized in 1901 in New Jersey to care for various of Mr. Carnegie's financial interests after he retired. It became trustee of certain trusts set up by Mr. Carnegie during his lifetime to pay pensions to various people on his private pension list. It acted as executor of Mr. Carnegie's estate and is still trustee of certain trusts established by his will. It has never engaged in a general banking business nor accepted deposits. Since it accepts no new business, its activities have steadily declined owing to the deaths of former recipients of pensions and annuities.

When Mr. Carnegie died in 1919 there were 45 annuitants trusts, and 409 pensioners. There are now 7 annuitants trusts and 22 pensioners. Of Carnegie Corporation's reversionary interest in these trusts, originally \$5,386,133, so far \$4,510,262 has been received as various trusts expired. The present balance is \$875,871. In the year just closed the Corporation received \$245,644 of excess income and principal from the Pensions Trust, which was allocated \$138,240 to income and \$107,404 in liquidation of the reversionary interest itself; and \$99,233 from an annuitants trust, which was allocated \$47,236 to income and \$51,997 in liquidation of the reversionary interest.

ADVANCES TO CARNEGIE FOUNDATION FOR THE ADVANCEMENT OF TEACHING

Through September 30, 1956, the Corporation had advanced \$10,125,000 from income to the Carnegie Foundation for the Advancement of Teaching to enable the Foundation to carry out its obligations for payment of free pensions to retired college and university teachers and their widows. These advances are to be repaid by the Foundation without interest from time to time in the future, from whatever income it has available after the payment of pensions and other expenditures. Their present value is of course dependent on the rate of repayment. There is no way to determine present value now; ac-

The Detailed Record

cordingly, these advances are carried on the Corporation's books at the nominal value of \$1. The Corporation is obligated for advances up to a total not to exceed \$15,000,000. Last year's advances were \$1,020,000. All the advances to date have been met from income set aside for the purpose. At the present time the Corporation has a reserve of \$730,001, which was set aside from past income, to meet future advances; the Corporation is continuing to set aside \$900,000 annually for this purpose.

Changes in Investments During the Year

The most important change in the Corporation's securities during the year involved the sale of various common stocks to buy other common stocks. Principally because of the reinvestment of the profit on common stocks sold, the cost of the total investment in common stocks increased by \$6,803,069. The investment in U. S. Government bonds was reduced by \$11,774,183, but \$12,891,920 was added to the investment in other (corporation) bonds. Preferred stocks were reduced by \$1,738,806. The sales of common stocks brought a realized profit of \$8,321,190; the other sales of securities a loss of \$760,177. The total profit realized on security transactions was \$7,561,013, which was added to Depreciation Reserve. The market value of all securities held was, at the year's end, \$65,395,259 more than cost or book value. All of this accrued to the common stocks since the market value of the bonds was \$5,004,253 less than their cost, and that of the relatively small investment in preferred stocks was \$433,770 less than cost.

Income and Appropriations

The income received from securities during the year was equal to a return of 4.99 per cent on the cost of securities held at the year end; in the preceding year it was 4.78 per cent. It was the largest income in the Corporation's history. The details of income and appropriations are given on the following page.

Annual Report for 1956

	<u>1955-56</u>	<u>1954-55</u>	(+) Increase or (-) Decrease from 1954-55
Dividends and Interest on Securities	\$8,999,745	\$8,317,618	+ \$682,127
Income recovered from Reversionary			
Interests	185,476	2,311	+ 183,165
Dividend Home Trust Co. stock	195,000		+ 195,000
	<u>\$9,380,221</u>	<u>\$8,319,929</u>	<u>+\$1,060,292</u>
Administrative Expenses	602,690	683,150	- 80,460
	<u>\$8,777,531</u>	<u>\$7,636,779</u>	<u>+\$1,140,752</u>
Transferred to Reserves	920,663	926,569	- 5,906
	<u>\$7,856,868</u>	<u>\$6,710,210</u>	<u>+\$1,146,658</u>
Appropriations			
Authorized (excluding those deferred)	\$7,192,473	\$5,714,614	+\$1,477,859
Of previous years for payment in 1955-56	1,350,000	1,270,000	+ 80,000
	<u>\$8,542,473</u>	<u>\$6,984,614</u>	<u>+\$1,557,859</u>
Excess of Appropriations over Income for			
the year	\$685,605	\$274,404	+ \$411,201
Appropriations refunded during the year	30,722	19,899	+ 10,823
Unappropriated Income brought forward			
from 1954-55	947,810	1,202,315	- 254,505
	<u>\$7,570,363</u>	<u>\$8,196,728</u>	<u>-\$626,365</u>
Balance unappropriated and carried			
forward to 1956-57	\$292,927	\$947,810	- \$654,883
	<u>\$250,247</u>	<u>\$388,512</u>	<u>-\$138,265</u>
United States			
British Dominions and Colonies	42,680	559,298	- 516,618

PRICE WATERHOUSE & CO.

56 Pine Street
New York, November 13, 1956

TO THE BOARD OF TRUSTEES,
CARNEGIE CORPORATION OF NEW YORK

We have made an examination of the balance sheet of the Carnegie Corporation of New York as at September 30, 1956 and the related statements of income, expenses and appropriations for the year then ended and other supporting schedules included in the Treasurer's report. Our examination was made in accordance with generally accepted auditing standards and included all procedures which we considered necessary in the circumstances. These procedures included the confirmation of cash and securities by certificates from the depositaries and the custodian or by inspection during the course of our examination.

The attached financial statements have been prepared on the accrual basis except that dividend and interest income on securities and administration expenses, including expenditures for furniture and equipment, are reported on the cash basis of accounting. However, if the latter items were stated on the accrual basis of accounting, the effect on net income of the corporation would not be material.

In our opinion, the accompanying financial statements and schedules and notes thereto present fairly, on the basis indicated above which is consistent with that of the preceding year, the position of the Carnegie Corporation of New York at September 30, 1956, and its income, expenses and appropriations for the year then ended.

PRICE WATERHOUSE & CO.

Annual Report for 1956

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

EXHIBIT I

B A L A N C E S H E E T

September 30, 1956

Assets

Securities at Book Amount (SCHEDULE A and NOTE 1)

Bonds

U. S. Government \$55,735,627

Other 55,541,709

Stocks

Preferred 7,168,942

Common 61,824,546

Total (Approximate market quotations \$245,666,083) \$180,270,824

Reversionary Interests

Annuitants Trusts \$851,575

Carnegie Hall Pension Trust 24,295

Pensions Trust 1 875,871

Cash

2,418,522

Other Assets (NOTE 2)

Home Trust Co., Capital Stock \$334,195

Carnegie Foundation—Advances on pensions 1

Carnegie House Properties 1

334,197

\$183,899,414

NOTES

1. Investments in securities are carried generally at cost if purchased or at quoted market value at dates of receipt if acquired by gift.
2. See pages 79–81.

The Detailed Record

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

EXHIBIT I

B A L A N C E S H E E T

September 30, 1956

Funds, Reserves and Liabilities

Capital Fund			
Endowment		\$125,000,000	
Legacies		10,336,869	
Depreciation Reserve (NOTE 2)			
Balance at beginning of year	\$30,996,490		
Add: Profit on sale of securities	7,561,013		
Profit on recovery of Reversionary			
Interests	4,236		
Balance at end of year		38,561,739	
			\$173,898,608
Reserves			
Carnegie Foundation Pensions (NOTE 2)		\$730,001	
Professors' Annuities		435,979	
			1,165,980
	<i>British</i>	<i>United</i>	
	<i>Dominions</i>	<i>States</i>	
	<i>& Colonies</i>		
Appropriations Authorized			
Current—Payable from income			
received prior to September			
30, 1956	\$1,224,965	\$7,316,934	\$8,541,899
Deferred—Payable from income			
of the fiscal years ending			
September 30, 1957		1,350,000	
September 30, 1958		850,000	
September 30, 1959		100,000	
		\$2,300,000	2,300,000
Totals (See page 73)	\$1,224,965	\$9,616,934	10,841,899
Appropriations in Excess of Income to Date			
Payable Out of Future Income, United States (EXHIBIT II)			2,049,753
Income in Excess of Appropriations to Date			
British Dominions and Colonies (EXHIBIT III)			42,680
			\$183,899,414

Annual Report for 1956

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

EXHIBIT II

UNITED STATES

Statement of Income, Expenses and Appropriations

For the Year Ended September 30, 1956

and Appropriations Payable Out of Future Income

Income		
Dividends and interest on securities (SCHEDULE A)	\$8,400,663	
Income portion of Reversionary Interests recovered during the year*	185,476	
Dividend on Home Trust Co. common stock	<u>195,000</u>	\$8,781,139
Administrative expenses (SCHEDULE C)		<u>557,690</u>
Net Income		\$8,223,449
Transfer to reserves		
Carnegie Foundation—Pensions	\$900,000	
Professors' Annuities	<u>20,663</u>	920,663
Income available for appropriations		<u>\$7,302,786</u>
Appropriations of available income		
Authorized during current year (see page 70)	\$6,121,773	
Authorized during prior years	<u>1,350,000</u>	
	\$7,471,773	
Deduct		
Appropriations refunded or not needed	<u>30,722</u>	<u>7,441,051</u>
Appropriations in excess of income for the year		\$138,265
Balance, unappropriated income, October 1, 1955		<u>388,512</u>
Balance, unappropriated income, September 30, 1956		\$250,247
Deduct—Appropriations authorized payable out of future income (see EXHIBIT I)		<u>2,300,000</u>
Appropriations in excess of income to date payable out of future income		<u><u>\$2,049,753</u></u>

* Income from Reversionary Interests, see page 80.

The Detailed Record

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

EXHIBIT III

BRITISH DOMINIONS AND COLONIES

Statement of Income, Expenses and Appropriations

For the Year Ended September 30, 1956

and Unappropriated Income

Income	
Dividends and interest on securities (SCHEDULE A)	\$599,082
Administrative expenses (SCHEDULE C)	<u>45,000</u>
Income available for appropriations	\$554,082
Appropriations of available income	
Authorized during current year (see page 73)	<u>1,070,700</u>
Appropriations in excess of income for the year	\$516,618
Balance, unappropriated income October 1, 1955	<u>559,298</u>
Income in excess of appropriations to date	<u><u>\$42,680</u></u>

Annual Report for 1956

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

SCHEDULE A

Summary of Securities Held

September 30, 1956

and Income for the Year

	<u>Rights</u>	<u>Shares</u>	<u>Par</u>	<u>Book Amount</u>	<u>Approximate Market Quotations</u>	<u>(+) Greater or (-) Less than Book</u>	<u>Net Income</u>
Bonds							
U. S. Government			\$54,602,000	\$55,735,627	\$53,805,650	— \$1,929,977	\$1,925,343
Others			<u>54,747,773</u>	<u>55,541,709</u>	<u>52,467,433</u>	— <u>3,074,276</u>	<u>1,403,367</u>
Totals			\$109,349,773	\$111,277,336	\$106,273,083	— \$5,004,253	\$3,328,710
Stocks							
Preferred		121,829		7,168,942	6,735,172	— 433,770	330,042
Common	<u>15,000</u>	<u>2,310,908</u>		<u>61,824,546</u>	<u>132,657,828</u>	+ <u>70,833,282</u>	<u>5,340,993</u>
Totals, Schedule B	<u>15,000</u>	<u>2,432,737</u>	<u>\$109,349,773</u>	<u>\$180,270,824</u>	<u>\$245,666,083</u>	+ <u>\$65,395,259</u>	
Total Income							<u>\$8,999,745</u>
British Dominions and Colonies—Allocated in accordance with Resolution B2263							\$599,082
United States							<u>8,400,663</u>
							<u>\$8,999,745</u>

Summary of Security Transactions

During Year Ended September 30, 1956

	<u>Rights</u>	<u>Shares</u>	<u>Par</u>	<u>Book Amount</u>
Balance, October 1, 1955	18,800	2,051,936	\$108,610,773	\$174,088,824
Purchased, Transferred or Exchanged	<u>109,100</u>	<u>728,115</u>	<u>42,173,000</u>	<u>55,942,708</u>
Totals	127,900	2,780,051	\$150,783,773	\$230,031,532
Sold, Redeemed or Exchanged	<u>112,900</u>	<u>347,314</u>	<u>41,434,000</u>	<u>49,760,708</u>
Balance, October 1, 1956	<u>15,000</u>	<u>2,432,737</u>	<u>\$109,349,773</u>	<u>\$180,270,824</u>
Net Profit on Securities Sold, Redeemed or Exchanged				<u>\$7,561,013</u>

The Detailed Record

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

SCHEDULE B

Statement of Securities

As of September 30, 1956

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
U. S. Government			
Treasury			
3¼s, June 15, 1978-83	\$25,000,000	\$25,960,390	\$25,031,250
3s, Feb. 15, 1995	14,500,000	14,539,977	13,802,188
2¾s, Sept. 15, 1961	3,583,000	3,575,933	3,490,066
2½s, June 15, 1962-67	2,000	1,936	1,861
2¼s, June 15, 1959-62	67,000	64,446	63,336
Treasury Notes			
27⁄8s, March 15, 1957	9,500,000	9,642,945	9,485,156
Savings*			
2.76%, Ser. K, April 1, 1966 (Registered)	200,000	200,000	200,000
2½s, Ser. G, Jan. 1, 1957 (Registered)	100,000	100,000	100,000
2½s, Ser. G, Jan. 1, 1958 (Registered)	100,000	100,000	100,000
2½s, Ser. G, Feb. 1, 1959 (Registered)	100,000	100,000	100,000
2½s, Ser. G, June 1, 1960 (Registered)	100,000	100,000	100,000
2½s, Ser. G, July 1, 1960 (Registered)	900,000	900,000	900,000
2½s, Ser. G, Jan. 1, 1961 (Registered)	100,000	100,000	100,000
2½s, Ser. G, Jan. 1, 1963 (Registered)	100,000	100,000	100,000
Treasury			
2½s, Investment Ser. A, Oct. 1, 1965 (Registered)	250,000	250,000	231,793
Totals	<u>\$54,602,000</u>	<u>\$55,735,627</u>	<u>\$53,805,650</u>

* Market values shown are maturity values rather than redemption values at September 30, 1956.

Annual Report for 1956

SCHEDULE B—STATEMENT OF SECURITIES

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
Allied Chemical & Dye Corp., Deb. 3½s, April 1, 1978 (Registered)	\$1,100,000	\$1,089,000	\$1,075,250
Aluminum Co. of Canada, Ltd., S. F. Deb. 3½s, May 1, 1970	842,000	854,630	846,210
American Telephone & Telegraph Co., Deb. 3½s, July 1, 1990	1,000,000	1,027,500	1,003,750
Deb. 3½s, Dec. 1, 1973	1,012,000	1,028,542	974,050
Deb. 2½s, June 1, 1987	275,000	279,875	233,750
Deb. 2¾s, Feb. 1, 1971	1,000,000	1,007,970	895,000
Deb. 2¾s, Oct. 1, 1975	552,000	551,539	484,380
Deb. 2¾s, Aug. 1, 1980	215,000	215,000	180,869
Bethlehem Steel Corp., Cons. S. F. 2¾s, Ser. I, July 15, 1970	275,000	279,813	253,000
Buffalo Niagara Electric Corp., 1st 2¾s, Nov. 1, 1975	225,000	229,635	195,750
Carolina, Clinchfield & Ohio Ry. Co., 1st 4s, Ser. A, Sept. 1, 1965	174,000	178,475	174,870
Chesapeake & Ohio Ry. Co., Ref. & Imp. 3½s, Ser. D, May 1, 1996	10,000	9,850	9,425
Chicago, Burlington & Quincy R. R. Co., Eq. 3¼s, Ser. B, Aug. 1, 1957 to May 1, 1967	1,500,000	1,461,300	1,500,000
Chicago, Milwaukee, St. Paul & Pacific R. R. Co., Eq. Tr. Ctfs. 1½s, Ser. Z, Jan. 1, 1957	75,000	72,937	74,573
Eq. Tr. Ctfs. 1½s, Ser. Z, July 1, 1957	75,000	72,838	74,250
Chicago & North Western Ry. Co., 2nd Eq. Tr. Ctfs. 2¾s, Aug. 1, 1959	190,000	188,745	180,329
2nd Eq. Tr. Ctfs. 2¾s, Aug. 1, 1960	210,000	207,493	195,846
Chicago & Western Indiana R. R. Co., 1st S. F. 4¾s, Ser. A, May 1, 1982	467,000	476,807	467,000
C.I.T. Financial Corp., Deb. 3½s, Sept. 1, 1970	500,000	492,875	477,500
Promissory Notes 2¾s, Nov. 1, 1956	500,000	500,000	498,750
Promissory Notes 3½s, April 15, 1959	500,000	500,000	491,050
Columbia Gas System, Inc., Deb. 3½s, Ser. F, April 1, 1981	750,000	748,164	720,000
Commonwealth Edison Co., 1st 3s, Ser. L, Feb. 1, 1977	250,000	260,625	229,375
S. F. Deb. 3s, April 1, 1999	392,000	404,544	331,240
Consolidated Edison Co. of New York, Inc., 1st & Ref. 3s, Ser. D, Nov. 1, 1972	290,000	293,045	261,000
1st & Ref. 2¾s, Ser. C, June 1, 1972	275,000	280,500	239,250
Deere & Co., Deb. 2¾s, April 1, 1965	350,000	357,000	327,250
Federal Land Banks, 3½s, Sept. 15, 1972	150,000	151,125	152,438

The Detailed Record

SCHEDULE B—STATEMENT OF SECURITIES

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
Food Machinery Corp., S. F. Deb. 2½s, March 15, 1962	\$350,000	\$353,063	\$322,000
Florida Power Corp., 1st 3⅞s, July 1, 1986	1,000,000	1,015,550	997,500
General Electric Co., Deb. 3½s, May 1, 1976	2,000,000	2,010,000	1,975,000
General Motors Acceptance Corp., Deb. 4s, July 1, 1958	890,000	890,000	900,013
Deb. 3⅞s, Sept. 15, 1961	2,000,000	1,990,000	1,985,000
Deb. 3⅝s, Sept. 1, 1975	600,000	594,500	571,500
Goodrich Co., B. F., Promissory Notes 3¼s, Sept. 1, 1977	1,425,000	1,425,000	1,302,878
Household Finance Corp., S. F. Deb. 2¾s, July 1, 1970	425,000	427,550	376,125
Illinois Central R. R. Co., Eq. Tr. Ctfs. 2¼s, Ser. BB, Jan. 1, 1957	200,000	197,642	199,140
Eq. Tr. Ctfs. 2¼s, Ser. BB, Jan. 1, 1958	100,000	98,206	97,940
Eq. Tr. Ctfs. 2¼s, Ser. DD, May 1, 1958	121,000	119,393	117,963
Eq. Tr. Ctfs. 2¼s, Ser. BB, July 1, 1958	100,000	97,910	97,150
Eq. Tr. Ctfs. 2¼s, Ser. DD, May 1, 1959	66,000	64,736	63,347
International Bank for Reconstruction & Development, 3½s, Jan. 1, 1969	500,000	506,250	482,500
3s, July 15, 1972	766,000	766,000	700,890
Louisville & Nashville R. R. Co., 1st & Ref. 3⅞s, Ser. F, April 1, 2003	35,000	34,913	29,794
1st & Ref. 3⅞s, Ser. I, April 1, 2003	965,000	962,875	821,456
Metropolitan Edison Co., 1st 2⅞s, Nov. 1, 1974	250,000	253,438	222,500
Minnesota Mining & Manufacturing Co., S. F. Deb. 2¾s, Oct. 1, 1967	257,000	258,928	249,290
Minnesota Power & Light Co., 1st 3⅞s, Sept. 1, 1975	285,000	293,725	250,800
New England Telephone & Telegraph Co., Deb. 3s, Oct. 1, 1982	330,000	335,363	288,750
New York & Pennsylvania Co., Inc., 1st 3¼s, Oct. 1, 1965 (Registered)	750,000	750,000	721,575
New York Power & Light Corp., 1st 2¾s, March 1, 1975	325,000	332,281	284,375
New York Steam Corp., 1st 3½s, July 1, 1963	225,000	238,781	220,500
Northern Pacific Ry. Co., Eq. Tr. Ctfs. 2⅞s, March 15, 1957	275,000	275,499	273,048
Eq. Tr. Ctfs. 2⅞s, March 15, 1960	80,000	79,309	75,640
Eq. Tr. Ctfs. 2⅞s, June 15, 1960	170,000	167,387	160,106

Annual Report for 1956

SCHEDULE B—STATEMENT OF SECURITIES

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
Northern States Power Co., 1st 2¾s, Oct. 1, 1975	\$350,000	\$357,192	\$305,375
Oklahoma Gas & Electric Co., 1st 2¾s, Feb. 1, 1975	300,000	305,215	261,000
Oregon-Washington R. R. & Navigation Co., Ref. 3s, Ser. A, Oct. 1, 1960	629,000	648,710	617,206
Pacific Fruit Express Co., Eq. Tr. Ctfs. 2¾s, Ser. J, Feb. 1, 1957 (Registered)	300,000	302,150	298,590
Eq. Tr. Ctfs. 2¾s, Ser. J, Feb. 1, 1958 (Registered)	300,000	301,191	294,600
Eq. Tr. Ctfs. 2¾s, Ser. J, Feb. 1, 1959 (Registered)	350,000	350,000	339,570
Pacific Gas & Electric Co., 1st & Ref. 3¾s, Ser. Y, Dec. 1, 1987	1,000,000	1,027,500	940,000
1st & Ref. 3s, Ser. J, Dec. 1, 1970	8,000	7,860	7,150
1st & Ref. 3s, Ser. L, June 1, 1974	250,000	260,000	229,063
1st & Ref. 3s, Ser. M, Dec. 1, 1979	575,000	622,281	516,063
1st & Ref. 2⅞s, Ser. Q, Dec. 1, 1980	275,000	271,344	241,313
Pacific Telephone & Telegraph Co., Deb. 4¾s, Aug. 15, 1988	1,000,000	1,025,300	1,060,000
Deb. 3⅞s, Oct. 1, 1987	295,000	298,688	265,500
Deb. 2⅞s, Oct. 1, 1986	340,000	351,075	282,200
Panhandle Eastern Pipe Line Co., Deb. 2¼s, May 1, 1959	143,000	138,914	137,080
Deb. 2¼s, May 1, 1960	132,000	127,068	123,090
Deb. 2¼s, May 1, 1961	167,000	161,795	154,542
Pennsylvania R. R. Co., Gen. 5s, Ser. B, Dec. 1, 1968	6,000	6,293	6,075
Gen. 4½s, Ser. A, June 1, 1965	1,000	1,044	1,010
Eq. Tr. Ctfs. 2⅞s, Ser. S, July 1, 1962	200,000	191,901	179,460
Philadelphia Electric Co., 1st & Ref. 2⅞s, Feb. 1, 1978	275,000	272,938	250,250
1st & Ref. 2¾s, Nov. 1, 1967	273,000	274,883	248,430
Public Service Co. of Indiana, Inc., 1st 3⅞s, Ser. F, Sept. 1, 1975	245,000	251,027	222,950
Public Service Co. of Oklahoma, 1st 2¾s, Ser. A, July 1, 1975	225,000	230,388	191,250
Public Service Electric & Gas Co., Deb. 3½s, Oct. 1, 1975	1,000,000	1,027,500	968,750
Reynolds Tobacco Co., R. J., Deb. 3s, Oct. 1, 1973	491,000	508,713	451,720
St. Louis-San Francisco Ry. Co., Eq. Tr. Ctfs. 2¾s, Ser. A, Jan. 15, 1957	80,000	79,685	79,768
Shell Caribbean Petroleum Co., 4s, Oct. 1, 1968 (Registered)	4,400,000	4,400,000	4,400,000
Skelly Oil Co., Deb. 2¾s, July 1, 1965	370,000	376,475	353,350

The Detailed Record

SCHEDULE B—STATEMENT OF SECURITIES

<i>Bonds</i>	<i>Par</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
Southern Pacific Co.,			
Eq. Tr. Ctfs. 3 $\frac{5}{8}$ s, Ser. U. U., Aug. 1, 1967	\$200,000	\$201,345	\$195,180
Eq. Tr. Ctfs. 3 $\frac{5}{8}$ s, Ser. U. U., Aug. 1, 1968	200,000	201,444	194,820
Eq. Tr. Ctfs. 3 $\frac{5}{8}$ s, Ser. U. U., Aug. 1, 1969	200,000	201,540	194,480
Eq. Tr. Ctfs. 3 $\frac{5}{8}$ s, Ser. U. U., Aug. 1, 1970	200,000	201,633	194,160
Eq. Tr. Ctfs. 3 $\frac{5}{8}$ s, Ser. U. U., Aug. 1, 1971	200,000	201,722	193,840
Eq. Tr. Ctfs. 2 $\frac{1}{8}$ s, Ser. Z, Jan. 1, 1957	250,000	246,566	248,900
Eq. Tr. Ctfs. 2s, Ser. V, Aug. 1, 1957	170,000	166,985	167,365
Southern Ry. Co.,			
1st Cons. 5s, July 1, 1994	1,000,000	1,333,176	1,100,000
Eq. Tr. Ctfs. 2 $\frac{1}{2}$ s, Ser. RR, June 15, 1958	125,000	125,810	122,200
Eq. Tr. Ctfs. 2 $\frac{1}{2}$ s, Ser. RR, Dec. 15, 1958	125,000	125,573	121,400
Eq. Tr. Ctfs. 2 $\frac{3}{8}$ s, Ser. QQ, April 1, 1958	100,000	98,999	97,800
Eq. Tr. Ctfs. 2 $\frac{3}{8}$ s, Ser. QQ, Oct. 1, 1958	150,000	148,425	145,635
Southern Ry. Co., Participation in sale agreement covering railway equipment 2.95%, Oct. 1, 1957-61*	957,773	957,773	957,773
Standard Oil Co. (Indiana), Conv. Deb. 3 $\frac{1}{8}$ s, Oct. 1, 1982	375,000	393,938	488,906
Standard Oil Co. (N. J.), Deb. 2 $\frac{3}{4}$ s, July 15, 1974	850,000	854,250	774,563
Superior Oil Co., Deb. 3 $\frac{3}{4}$ s, July 1, 1981	1,000,000	1,000,000	976,250
Swift & Co., Deb. 2 $\frac{5}{8}$ s, Jan. 1, 1972	101,000	101,505	89,890
Tennessee Gas Transmission Co., Deb. 4 $\frac{1}{2}$ s, Jan. 1, 1977	1,000,000	1,022,701	967,500
Deb. 4 $\frac{1}{4}$ s, Sept. 1, 1974	935,000	991,147	892,925
1st 3 $\frac{1}{2}$ s, Sept. 1, 1971	471,000	470,689	423,900
1st 2 $\frac{3}{4}$ s, April 1, 1966	219,000	222,285	186,150
Texas Electric Service Co., 1st 2 $\frac{3}{4}$ s, March 1, 1975	285,000	287,850	245,100
Tide Water Associated Oil Co., S. F. Deb. 3 $\frac{1}{2}$ s, April 1, 1986	1,000,000	1,000,000	945,000
Trunkline Gas Co., 1st 3 $\frac{5}{8}$ s, Nov. 1, 1975 (Registered)	1,000,000	1,000,000	937,500
United Biscuit Co. of America, Deb. 2 $\frac{3}{4}$ s, April 1, 1966	135,000	137,888	122,175
Utah Oil Refining Co., Promissory Notes 3.05s, March 1, 1970	1,000,000	1,000,000	926,700
Virginia Electric & Power Co., 1st & Ref. 2 $\frac{3}{4}$ s, Ser. E, March 1, 1975	275,000	279,813	236,500
West Penn Power Co., 1st 3 $\frac{1}{2}$ s, Ser. I, Jan. 1, 1966	325,000	344,775	320,531
1st 3s, Ser. L, May 1, 1974	275,000	288,621	242,000
Totals	\$54,747,773	\$55,541,709	\$52,467,433
Totals, Bonds	\$109,349,773	\$111,277,336	\$106,273,083

* Amount shown under market is maturity value.

Annual Report for 1956

SCHEDULE B—STATEMENT OF SECURITIES

<i>Preferred Stocks</i>	<i>Shares</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
American Brake Shoe Co., (conv. cum.) 4%	1,100	\$110,000	\$108,900
Appalachian Electric Power Co., (cum.) 4½%	1,859	212,151	184,971
Atchison, Topeka & Santa Fe Ry. Co., (non-cum.) 5%	30,000	271,487	307,500
Baltimore Gas & Electric Co., (cum.) "B" 4½%	1,400	165,322	142,100
Bethlehem Steel Corp., (cum.) 7%	2,500	300,156	382,500
Carrier Corp., (cum.) 4½%	5,700	302,091	257,925
Cleveland Electric Illuminating Co., (cum.) \$4.50	3,500	388,055	359,188
Connecticut Light & Power Co., (cum.) \$2.	5,500	295,354	236,500
Consumers Power Co., (cum.) \$4.50	1,580	179,808	158,593
Dayton Power & Light Co., (cum.) "A" 3.75%	470	47,000	39,010
General Mills, Inc., (cum.) 5%	1,000	127,137	113,500
General Motors Corp., (cum.) \$5.	5,000	501,939	595,000
Hartford Electric Light Co., (cum.) 3.90%	2,200	110,000	99,000
Kansas Power & Light Co., (cum.) 4½%	2,300	257,017	234,600
Monongahela Power Co., (cum.) 4.40%	2,750	306,795	253,000
New York State Electric & Gas Corp., (cum.) 3.75%	2,700	265,725	226,800
Niagara Mohawk Power Corp., (cum.) 3.90%	2,140	222,560	181,900
(cum.) 3.60%	2,300	236,555	179,975
Northern States Power Co., (cum.) \$3.60	1,130	116,108	89,835
Ohio Edison Co., (cum.) 3.90%	2,800	287,350	242,900
Ohio Power Co., (cum.) 4½%	1,300	148,830	131,950
Pacific Gas & Electric Co., 1st (cum.) 5% Redeemable	21,000	552,493	543,375
Public Service Co. of Colorado, (cum.) 4¼%	1,400	140,000	126,000
Public Service Co. of Oklahoma (cum.) 4%	1,500	154,125	133,500
Public Service Electric & Gas Co., (cum.) 4.08%	2,500	255,000	231,875
South Carolina Electric & Gas Co., (cum.) 5%	3,300	173,468	160,050
Southern California Edison Co., (cum.) 4.32%	6,200	178,350	142,600
Union Electric Co., (cum.) \$4.50	1,300	148,782	133,900
U. S. Steel Corp., (cum.) 7%	3,500	484,552	531,125
Virginia Electric & Power Co., (cum.) \$5.	1,900	230,732	207,100
Totals, Preferred Stocks	<u>121,829</u>	<u>\$7,168,942</u>	<u>\$6,735,172</u>

<i>Common Stocks</i>	<i>Shares</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
Allied Chemical & Dye Corp.	12,390	\$539,877	\$1,187,891
Aluminium, Ltd.	10,800	542,187	1,333,800
Aluminum Co. of America	10,800	246,151	1,112,400
American Can Co.	12,000	336,819	490,500
American Gas & Electric Co.	44,128	622,103	1,627,220
American Telephone & Telegraph Co.	18,800	2,728,969	3,179,550
Atchison, Topeka & Santa Fe Ry. Co.	70,000	761,954	1,820,000
Babcock & Wilcox Co.	25,200	375,083	995,400
Bankers Trust Co.	12,500	687,343	840,625
Bendix Aviation Corp.	13,650	271,380	769,519
Bethlehem Steel Corp.	19,000	1,269,340	3,078,000

The Detailed Record

SCHEDULE B—STATEMENT OF SECURITIES

<i>Common Stocks</i>	<i>Shares</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
Borg-Warner Corp.	19,800	\$450,690	\$888,525
Carrier Corp.	13,000	757,452	676,000
Caterpillar Tractor Co.	20,800	361,083	1,778,400
Central & South West Corp.	46,000	1,268,274	1,564,000
Champion Paper & Fibre Co.	23,000	671,542	828,000
Christiana Securities Co.	115	640,320	1,529,500
Consolidated Edison Co. of New York, Inc.	23,000	949,630	1,029,250
Continental Can Co., Inc.	16,000	334,881	744,000
Continental Oil Co.	12,000	237,998	1,338,000
Crown Zellerbach Corp.	18,000	420,659	945,000
Deere & Co.	20,800	686,261	535,600
Dow Chemical Co.	10,200	372,157	701,250
Du Pont de Nemours & Co., E. I.	7,500	323,364	1,445,625
Eastman Kodak Co.	14,910	418,864	1,300,898
Firestone Tire & Rubber Co.	20,000	722,944	1,670,000
Florida Power & Light Co.	30,000	707,424	1,338,750
General Electric Co.	91,200	993,260	5,107,200
General Motors Corp.	103,500	844,247	4,812,750
General Portland Cement Co.	18,100	1,014,141	1,217,225
Goodrich Co., B. F.	27,000	271,891	1,836,000
Goodyear Tire & Rubber Co.	23,000	1,108,464	1,656,000
Guaranty Trust Co. of New York	3,500	196,430	293,125
Gulf Oil Corp.	20,000	573,602	2,260,000
Halliburton Oil Well Cementing Co.	25,000	495,716	2,043,750
Ingersoll-Rand Co.	36,000	593,425	2,682,000
Inland Steel Co.	15,500	835,704	1,340,750
International Business Machines Corp.	768	244,761	347,904
International Nickel Co. of Canada, Ltd.	10,000	360,550	1,017,500
International Paper Co.	11,025	481,029	1,212,750
Island Creek Coal Co.	15,000	790,071	684,375
Johns-Manville Corp.	27,000	529,693	1,323,000
Kaiser Aluminum & Chemical Corp.	50,000	521,832	2,743,750
Kennecott Copper Corp.	20,800	944,678	2,740,400
Kimberly-Clark Corp.	23,760	531,718	1,060,290
Lehigh Portland Cement Co.	20,900	878,365	961,400
Libbey-Owens-Ford Glass Co.	8,000	146,866	654,000
Louisiana Land & Exploration Co.	48,000	1,086,259	2,712,000
Louisville Gas & Electric Co.	10,100	527,784	606,000
Louisville & Nashville R. R. Co.	8,100	610,893	771,525
Minneapolis-Honeywell Regulator Co.	10,000	234,000	755,000
Monsanto Chemical Co.	38,556	911,423	1,378,377
Montana Power Co.	21,000	702,737	847,875
National Bank of Detroit	6,000	392,890	372,000
National Cash Register Co.	18,000	496,844	852,750
National Gypsum Co.	11,000	574,750	532,125
National Lead Co.	21,000	114,800	2,178,750
Newmont Mining Corp.	10,100	736,298	1,030,200
Niagara Mohawk Power Corp.	37,000	1,044,868	1,082,250
Norfolk & Western Ry. Co.	20,000	1,354,071	1,347,500
North American Aviation Inc.	17,000	754,438	705,500
Northern Natural Gas Co.	10,400	362,514	488,800
Northwest Bancorporation	4,950	360,771	351,450
Pacific Gas & Electric Co.	25,000	928,785	1,209,375
Panhandle Eastern Pipe Line Co.	14,350	350,607	1,304,056

Annual Report for 1956

SCHEDULE B—STATEMENT OF SECURITIES

<i>Common Stocks</i>	<i>Shares</i>	<i>Book Amount</i>	<i>Approximate Market Quotations</i>
Penney Co., Inc., J. C.	6,800	\$190,714	\$561,000
Phelps Dodge Corp.	42,200	1,006,914	2,711,350
Pittsburgh Plate Glass Co.	12,000	344,686	978,000
Procter & Gamble Co.	16,000	365,301	800,000
Puget Sound Power & Light Co.	30,000	743,988	757,500
Scott Paper Co.	6,000	155,004	358,500
Seaboard Oil Co.	7,800	226,039	440,700
Sears, Roebuck & Co.	59,085	421,459	1,779,936
Shamrock Oil & Gas Corp.	19,800	347,284	947,925
Shell Oil Co.	18,000	650,414	1,494,000
Sinclair Oil Corp.	16,500	839,879	985,875
Socony Mobil Oil Co., Inc.	43,750	1,168,565	2,231,250
Southern California Edison Co.	35,000	1,523,379	1,688,750
Southern Ry. Co.	30,000	493,782	1,233,750
Southwestern Public Service Co.	25,000	686,997	659,375
Standard Oil Co. of California	21,388	367,877	1,005,236
Standard Oil Co. (Indiana)	44,000	2,146,962	2,502,500
Standard Oil Co. (N. J.)	76,503	632,776	4,102,473
Texas Co.	25,000	234,449	1,378,125
Texas Utilities Co.	20,000	759,030	740,000
Thompson Products, Inc.	18,700	338,822	1,238,875
Union Carbide & Carbon Corp.	15,000	321,053	1,683,750
Union Electric Co.	43,000	327,373	1,134,125
Union Pacific R. R. Co.	30,000	415,040	862,500
United Aircraft Corp.	15,000	443,766	1,143,750
United Gas Corp.	33,000	558,273	1,018,875
United Gas Improvement Co.	11,000	205,669	426,250
U. S. Plywood Corp.	12,980	344,049	493,240
U. S. Steel Corp.	67,000	1,654,053	4,338,250
Utah Power & Light Co.	14,000	690,039	694,750
West Virginia Pulp & Paper Co.	10,400	613,287	520,000
Westinghouse Electric Corp.	20,000	471,844	1,065,000
Weyerhaeuser Timber Co.	20,000	154,395	755,000
Wisconsin Electric Power Co.	21,000	375,460	658,875
Totals	<u>2,310,908</u>	<u>\$61,824,546</u>	<u>\$132,656,890</u>

<i>Rights</i>	<i>Rights</i>	<i>Approximate Market Quotations</i>
United Aircraft Corp.	<u>15,000</u>	<u>\$938</u>
Totals, Common Stocks		<u>\$132,657,828</u>

The Detailed Record

C A R N E G I E C O R P O R A T I O N O F N E W Y O R K

SCHEDULE C

Administrative Expenses

For the Year Ended September 30, 1956

Salaries	\$281,420
Insurance and Retirement Benefits	28,480
Pensions	24,461
Custody of Securities and Safe Rent	25,097
Auditing	3,000
Investment Service	62,703
Legal Services	6,328
Rent	64,372
Offices—Maintenance, etc.	6,362
Office Supplies	5,109
Telephone, Telegraph and Postage	10,406
Reports	
Annual and Quarterly	22,904
Other	5,012
Review of Proposals and Grants	12,270
Travel	21,058
Miscellaneous	23,708
Total	<u>\$602,690</u>
Charged to United States	\$557,690
Charged to British Dominions and Colonies	45,000
Total	<u>\$602,690</u>



THE CARNEGIE PHILANTHROPIES

In 1889, Andrew Carnegie declared in the *North American Review* that a man of wealth was duty bound to consider his surplus wealth as trust funds; further, he had a responsibility to administer those funds so that they produced the most beneficial results for the community.

Mr. Carnegie worked energetically for almost thirty years at putting this gospel of wealth into practice. He set out to give away \$300 million. He gave away \$311 million.

Gifts to hundreds of communities in this country and the British Empire helped to make his idea of the free public library as the people's university a reality. In all, 2507 libraries were built with Carnegie funds. His endowment of the Carnegie Institute in Pittsburgh brought important educational and cultural benefits to the community in which he had made his fortune. From experience he knew the importance of science applied to commerce and industry and he provided for technical training through the Carnegie Institute of Technology. By establishing the Carnegie Institution of Washington he helped to stimulate the growth of knowledge through providing facilities for basic research in science.

He set up the Carnegie Trust for the Universities of Scotland to assist needy students and to promote research in science, medicine and the humanities. For the betterment of social conditions in his native town of Dunfermline, Scotland, he set up the Carnegie Dunfermline Trust. To improve the well-being of the people of Great Britain and Ireland, he established the Carnegie United Kingdom Trust.

In the United States, he created the Carnegie Foundation for the Advancement of Teaching, primarily as a pension fund for college teachers, to lessen some of the economic hazards of this profession. He regarded war as a blot on civilization. To work for its abolition, he

The Carnegie Philanthropies

established the Carnegie Endowment for International Peace. And to recognize heroism in the peaceful walks of life as being as worthy as valor in battle, he created funds in the United States, the United Kingdom, and nine European countries to make awards for acts of heroism. In contributing to the construction of the Peace Palace at The Hague, the Pan American Union building in Washington, and the Central American Court of Justice in Costa Rica, he further expressed his belief in arbitration and conciliation as substitutes for war.

In 1911, having worked steadily at his task of giving away one of the world's great fortunes, he created Carnegie Corporation of New York, a separate foundation as large as all his other trusts combined, to carry on his spirit and system of giving. The terms of this trust are broad: to promote the advancement and diffusion of knowledge and understanding among the people of the United States and the areas then known as the British Dominions and Colonies. The Corporation was the culmination of his program of giving. He died in 1919, having made a memorable demonstration of responsible stewardship of wealth.

Each of the Carnegie agencies has its own funds and trustees. Each is independently managed, with the exception of the Carnegie Foundation for the Advancement of Teaching, which shares Carnegie Corporation's offices and has the same officers.

Designed by ELMER LOEMKER
Printed in the United States of America
by W^M F. FELL C^O
PHILADELPHIA

